
Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)



Income Tax (Earnings and Pensions) Act 2003

CHAPTER 1

INCOME TAX (EARNINGS AND PENSIONS) ACT 2003

PART 1

OVERVIEW

- 1 Overview of contents of this Act
- 2 Abbreviations and general index in Schedule 1

PART 2

EMPLOYMENT INCOME: CHARGE TO TAX

CHAPTER 1

INTRODUCTION

- 3 Structure of employment income Parts
- 4 “Employment” for the purposes of the employment income Parts
- 5 Application to offices and office-holders

CHAPTER 2

TAX ON EMPLOYMENT INCOME

- 6 Nature of charge to tax on employment income
- 7 Meaning of “employment income”, “general earnings” and “specific employment income”
- 8 Meaning of “exempt income”

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 3

OPERATION OF TAX CHARGE

- 9 Amount of employment income charged to tax
- 10 Meaning of “taxable earnings” and “taxable specific income”
- 11 Calculation of “net taxable earnings”
- 12 Calculation of “net taxable specific income”
- 13 Person liable for tax

CHAPTER 4

TAXABLE EARNINGS: RULES APPLYING TO EMPLOYEE RESIDENT, ORDINARILY RESIDENT AND DOMICILED IN UK

Taxable earnings

- 14 Taxable earnings under this Chapter: introduction

Employees resident, ordinarily resident and domiciled in UK

- 15 Earnings for year when employee resident, ordinarily resident and domiciled in UK

Year for which general earnings are earned

- 16 Meaning of earnings “for” a tax year
- 17 Treatment of earnings for year in which employment not held

When general earnings are received

- 18 Receipt of money earnings
- 19 Receipt of non-money earnings

CHAPTER 5

TAXABLE EARNINGS: RULES APPLYING TO EMPLOYEE RESIDENT, ORDINARILY RESIDENT OR DOMICILED OUTSIDE UK

Taxable earnings

- 20 Taxable earnings under this Chapter: introduction

Employees resident and ordinarily resident in UK

- 21 Earnings for year when employee resident and ordinarily resident, but not domiciled, in UK, except chargeable overseas earnings
- 22 Chargeable overseas earnings for year when employee resident and ordinarily resident, but not domiciled, in UK
- 23 Calculation of “chargeable overseas earnings”
- 24 Limit on chargeable overseas earnings where duties of associated employment performed in UK

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Employees resident but not ordinarily resident in UK

- 25 UK-based earnings for year when employee resident, but not ordinarily resident, in UK
- 26 Foreign earnings for year when employee resident, but not ordinarily resident, in UK

Employees not resident in UK

- 27 UK-based earnings for year when employee not resident in UK

Special class of earnings for purposes of sections 25 to 27

- 28 Meaning of “general earnings from overseas Crown employment subject to UK tax”

Year for which general earnings are earned

- 29 Meaning of earnings “for” a tax year
- 30 Treatment of earnings for year in which employment not held

When general earnings are received or remitted

- 31 Receipt of money earnings
- 32 Receipt of non-money earnings
- 33 Earnings remitted to UK
- 34 Earnings remitted to UK: further provisions about UK-linked debts

Relief for delayed remittances

- 35 Relief for delayed remittances
- 36 Election in respect of delayed remittances
- 37 Claims for relief on delayed remittances

Place of performance of duties of employment

- 38 Earnings for period of absence from employment
- 39 Duties in UK merely incidental to duties outside UK
- 40 Duties on board vessel or aircraft
- 41 Employment in UK sector of continental shelf

CHAPTER 6

DISPUTES AS TO DOMICILE OR ORDINARY RESIDENCE

- 42 Commissioners to determine dispute as to domicile or ordinary residence
- 43 Appeal against Commissioners' decision on domicile or ordinary residence

CHAPTER 7

APPLICATION OF PROVISIONS TO AGENCY WORKERS

Agency workers

- 44 Treatment of workers supplied by agencies

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 45 Arrangements with agencies
- 46 Cases involving unincorporated bodies etc.

Supplementary

- 47 Interpretation of this Chapter

CHAPTER 8

APPLICATION OF PROVISIONS TO WORKERS UNDER ARRANGEMENTS MADE BY INTERMEDIARIES

Application of this Chapter

- 48 Scope of this Chapter
- 49 Engagements to which this Chapter applies
- 50 Worker treated as receiving earnings from employment
- 51 Conditions of liability where intermediary is a company
- 52 Conditions of liability where intermediary is a partnership
- 53 Conditions of liability where intermediary is an individual

The deemed employment payment

- 54 Calculation of deemed employment payment
- 55 Application of rules relating to earnings from employment
- 56 Application of Income Tax Acts in relation to deemed employment

Supplementary provisions

- 57 Earlier date of deemed employment payment in certain cases
- 58 Relief in case of distributions by intermediary
- 59 Provisions applicable to multiple intermediaries
- 60 Meaning of “associate”
- 61 Interpretation

PART 3

EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNINGS

CHAPTER 1

EARNINGS

- 62 Earnings

CHAPTER 2

TAXABLE BENEFITS: THE BENEFITS CODE

The benefits code

- 63 The benefits code
- 64 Relationship between earnings and benefits code
- 65 Dispensations relating to benefits within provisions not applicable to lower-paid employment

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

General definitions for benefits code

- 66 Meaning of “employment” and related expressions
- 67 Meaning of “director” and “full-time working director”
- 68 Meaning of “material interest” in a company
- 69 Extended meaning of “control”

CHAPTER 3

TAXABLE BENEFITS: EXPENSES PAYMENTS

- 70 Sums in respect of expenses
- 71 Meaning of paid or put at disposal by reason of the employment
- 72 Sums in respect of expenses treated as earnings

CHAPTER 4

TAXABLE BENEFITS: VOUCHERS AND CREDIT-TOKENS

Cash vouchers: introduction

- 73 Cash vouchers to which this Chapter applies
- 74 Provision for, or receipt by, member of employee’s family

Meaning of “cash voucher”

- 75 Meaning of “cash voucher”
- 76 Sickness benefits-related voucher
- 77 Apportionment of cost of provision of voucher

Cash vouchers: exceptions

- 78 Voucher made available to public generally
- 79 Voucher issued under approved scheme
- 80 Vouchers where payment of sums exempt from tax

Benefit of cash voucher treated as earnings

- 81 Benefit of cash voucher treated as earnings

Non-cash vouchers: introduction

- 82 Non-cash vouchers to which this Chapter applies
- 83 Provision for, or receipt by, member of employee’s family

Meaning of “non-cash voucher”

- 84 Meaning of “non-cash voucher”

Non-cash voucher: exceptions

- 85 Non-cash voucher made available to public generally
- 86 Transport vouchers under pre-26th March 1982 arrangements

Benefit of non-cash voucher treated as earnings

- 87 Benefit of non-cash voucher treated as earnings

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 88 Year in which earnings treated as received
- 89 Reduction for meal vouchers

Credit-tokens: introduction

- 90 Credit-tokens to which this Chapter applies
- 91 Provision for, or use by, member of employee's family

Meaning of "credit-token"

- 92 Meaning of "credit-token"

Credit-tokens: exception

- 93 Credit-token made available to public generally

Benefit of credit-token treated as earnings

- 94 Benefit of credit-token treated as earnings

General supplementary provisions

- 95 Disregard for money, goods or services obtained
- 96 Dispensations relating to vouchers or credit-tokens

CHAPTER 5

TAXABLE BENEFITS: LIVING ACCOMMODATION

Living accommodation

- 97 Living accommodation to which this Chapter applies

Exceptions

- 98 Accommodation provided by local authority
- 99 Accommodation provided for performance of duties
- 100 Accommodation provided as result of security threat
- 100A Homes outside UK owned through company etc
- 100B Section 100A(1): exceptions
- 101 Chevening House

Benefit of living accommodation treated as earnings

- 102 Benefit of living accommodation treated as earnings

Calculation of cash equivalent

- 103 Method of calculating cash equivalent
- 104 General rule for calculating cost of providing accommodation

Accommodation costing £75,000 or less

- 105 Cash equivalent: cost of accommodation not over £75,000

Accommodation costing more than £75,000

- 106 Cash equivalent: cost of accommodation over £75,000

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

107 Special rule for calculating cost of providing accommodation

Apportionment of cash equivalent

108 Cash equivalent: accommodation provided for more than one employee

Other tax implications

109 Priority of this Chapter over Chapter 1 of this Part

Supplementary

110 Meaning of “annual value”

111 Disputes as to annual value

112 Meaning of “person involved in providing the accommodation”

113 Meaning of “the property”

CHAPTER 6

TAXABLE BENEFITS: CARS, VANS AND RELATED BENEFITS

General

114 Cars, vans and related benefits

115 Meaning of “car” and “van”

116 Meaning of when car or van is available to employee

117 Meaning of car or van made available by reason of employment

118 Availability for private use

119 Where alternative to benefit of car or van offered

Cars: benefit treated as earnings

120 Benefit of car treated as earnings

121 Method of calculating the cash equivalent of the benefit of a car

Cars: the price of a car

122 The price of the car

123 The list price of a car

124 The notional price of a car with no list price

Cars: treatment of accessories

125 Meaning of “accessory” and related terms

126 Amounts taken into account in respect of accessories

127 The list price of an accessory

128 Accessory: published price of the car manufacturer etc.

129 Accessory: published price of the accessory manufacturer etc.

130 The notional price of an accessory

131 Replacement accessories

Cars: capital contributions by employee

132 Capital contributions by employee

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Cars: the appropriate percentage

- 133 How to determine the “appropriate percentage”
- 134 Meaning of car with or without a CO₂ emissions figure

Cars: appropriate percentage: first registered on or after 1st January 1998

- 135 Car with a CO₂ emissions figure: pre-October 1999 registration
- 136 Car with a CO₂ emissions figure: post-September 1999 registration
- 137 Car with a CO₂ emissions figure: bi-fuel cars
- 138 Car with a CO₂ emissions figure: automatic car for a disabled employee
- 139 Car with a CO₂ emissions figure: the appropriate percentage
- 140 Car without a CO₂ emissions figure: the appropriate percentage
- 141 Diesel cars: the appropriate percentage

Cars: appropriate percentage: first registered before 1st January 1998

- 142 Car first registered before 1st January 1998: the appropriate percentage

Cars: unavailability or payments for private use

- 143 Deduction for periods when car unavailable
- 144 Deduction for payments for private use
- 145 Modification of provisions where car temporarily replaced

Cars: special cases

- 146 Cars that run on road fuel gas
- 147 Classic cars: 15 years of age or more

Cars: reduction where shared car

- 148 Reduction of cash equivalent where car is shared

Car fuel: benefit treated as earnings

- 149 Benefit of car fuel treated as earnings
- 150 Car fuel: calculating the cash equivalent
- 151 Car fuel: nil cash equivalent
- 152 Car fuel: proportionate reduction of cash equivalent
- 153 Car fuel: reduction of cash equivalent

Vans: benefit treated as earnings

- 154 Benefit of van treated as earnings
- 155 Cash equivalent of the benefit of a van

Vans: reductions of cash equivalent

- 156 Meaning of “shared van”

Reduction of cash equivalent where van is shared

- 157 Reduction of cash equivalent where van is shared

Reduction for payments for private use

- 158 Reduction for payments for private use

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Modification of provisions where van temporarily replaced

159 Modification of provisions where van temporarily replaced

Van fuel: benefit treated as earnings

- 160 Benefit of van fuel treated as earnings
- 161 Van fuel: the cash equivalent
- 162 Van fuel: nil cash equivalent
- 163 Van fuel: proportionate reduction of cash equivalent
- 164 Van fuel: reduction of cash equivalent

Cars and vans: exceptions

- 167 Pooled cars
- 168 Pooled vans
- 169 Car available to more than one member of family or household employed by same employer
- 169A Van available to more than one member of family or household employed by same employer

Orders

170 Orders etc. relating to this Chapter

Supplementary

- 171 Minor definitions: general
- 172 Minor definitions: equipment to enable a disabled person to use a car

CHAPTER 7

TAXABLE BENEFITS: LOANS

Introduction

- 173 Loans to which this Chapter applies
- 174 Employment-related loans

Benefit of taxable cheap loan treated as earnings

- 175 Benefit of taxable cheap loan treated as earnings
- 176 Exception for loans on ordinary commercial terms
- 177 Exceptions for loans at fixed rate of interest
- 178 Exception for loans where interest qualifies for tax relief
- 179 Exception for certain advances for necessary expenses
- 180 Threshold for benefit of loan to be treated as earnings

Calculation of amount of interest at official rate

- 181 The official rate of interest
- 182 Normal method of calculation: averaging
- 183 Alternative method of calculation

Supplementary provisions relating to taxable cheap loans

- 184 Interest treated as paid

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 185 Apportionment of cash equivalent in case of joint loan etc.
- 186 Replacement loans
- 187 Aggregation of loans by close company to director

Loan released or written off

- 188 Loan released or written off: amount treated as earnings
- 189 Exception where double charge

General supplementary provisions

- 190 Exclusion of charge after death of employee
- 191 Claim for relief to take account of event after assessment

CHAPTER 8

TAXABLE BENEFITS: NOTIONAL LOANS IN RESPECT OF ACQUISITIONS OF SHARES

Introduction

- 192 Application of this Chapter

Acquisition of shares for less than market value

- 193 Notional loan where acquisition for less than market value
- 194 The amount of the notional loan
- 195 Discharge of notional loan: amount treated as earnings

Supplementary provisions

- 196 Effects on other income tax charges
- 197 Minor definitions

CHAPTER 9

TAXABLE BENEFITS: DISPOSALS OF SHARES FOR MORE THAN MARKET VALUE

- 198 Shares to which this Chapter applies
- 199 Disposal for more than market value: amount treated as earnings
- 200 Minor definitions

CHAPTER 10

TAXABLE BENEFITS: RESIDUAL LIABILITY TO CHARGE

Introduction

- 201 Employment-related benefits
- 202 Excluded benefits

Cash equivalent of benefit treated as earnings

- 203 Cash equivalent of benefit treated as earnings

Determination of the cost of the benefit

- 204 Cost of the benefit: basic rule

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 205 Cost of the benefit: asset made available without transfer
- 206 Cost of the benefit: transfer of used or depreciated asset

Supplementary provisions

- 207 Meaning of “annual rental value”
- 208 Meaning of “market value”
- 209 Meaning of “persons providing benefit”
- 210 Power to exempt minor benefits

Special rules for scholarships

- 211 Special rules for scholarships: introduction
- 212 Scholarships provided under arrangements entered into by employer or connected person
- 213 Exception for certain scholarships under trusts or schemes
- 214 Scholarships: cost of the benefit
- 215 Limitation of exemption for scholarship income in section 331 of ICTA

CHAPTER 11

TAXABLE BENEFITS: EXCLUSION OF LOWER-PAID
EMPLOYMENTS FROM PARTS OF BENEFITS CODE

Introduction

- 216 Provisions not applicable to lower-paid employments

What is lower-paid employment

- 217 Meaning of “lower-paid employment”
- 218 Calculation of earnings rate for a tax year
- 219 Extra amounts to be added in connection with a car

Treatment of related employments

- 220 Related employments

CHAPTER 12

PAYMENTS TREATED AS EARNINGS

- 221 Payments where employee absent because of sickness or disability
- 222 Payments by employer on account of tax where deduction not possible
- 223 Payments on account of director’s tax other than by the director
- 224 Payments to non-approved personal pension arrangements
- 225 Payments for restrictive undertakings
- 226 Valuable consideration given for restrictive undertakings

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

PART 4

EMPLOYMENT INCOME: EXEMPTIONS

CHAPTER 1

EXEMPTIONS: GENERAL

- 227 Scope of Part 4
- 228 Effect of exemptions on liability under provisions outside Part 2

CHAPTER 2

EXEMPTIONS: MILEAGE ALLOWANCES AND PASSENGER PAYMENTS

Mileage allowances

- 229 Mileage allowance payments
- 230 The approved amount for mileage allowance payments
- 231 Mileage allowance relief
- 232 Giving effect to mileage allowance relief

Passenger payments

- 233 Passenger payments
- 234 The approved amount for passenger payments

Supplementary

- 235 Vehicles to which this Chapter applies
- 236 Interpretation of this Chapter

CHAPTER 3

EXEMPTIONS: OTHER TRANSPORT, TRAVEL AND SUBSISTENCE

- 237 Parking provision and expenses
- 238 Modest private use of heavy goods vehicles
- 239 Payments and benefits connected with taxable cars and vans and exempt heavy goods vehicles
- 240 Incidental overnight expenses and benefits
- 241 Incidental overnight expenses and benefits: overall exemption limit
- 242 Works transport services
- 243 Support for public bus services
- 244 Cycles and cyclist's safety equipment
- 245 Travelling and subsistence during public transport strikes
- 246 Transport between work and home for disabled employees: general
- 247 Provision of cars for disabled employees
- 248 Transport home: late night working and failure of car-sharing arrangements
- 248A Emergency vehicles
- 249 Interpretation of this Chapter

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 4

EXEMPTIONS: EDUCATION AND TRAINING

Work-related training

- 250 Exemption of work-related training provision
- 251 Meaning of “work-related training”
- 252 Exception for non-deductible travel expenses
- 253 Exception where provision for excluded purposes
- 254 Exception where unrelated assets are provided

Individual learning account training

- 255 Exemption for contributions to individual learning account training
- 256 Meaning of “individual learning account training”
- 257 Exception for non-deductible travel expenses
- 258 Exception where provision for excluded purposes
- 259 Exception where unrelated assets are provided
- 260 Exception where training not generally available to staff

CHAPTER 5

EXEMPTIONS: RECREATIONAL BENEFITS

Recreational facilities

- 261 Exemption of recreational benefits
- 262 Benefits not exempted by section 261
- 263 Power to alter benefits to which section 261 applies

Annual parties and functions

- 264 Annual parties and functions

Entertainment

- 265 Third party entertainment

CHAPTER 6

EXEMPTIONS: NON-CASH VOUCHERS AND CREDIT-TOKENS

General exemptions: use for exempt benefits

- 266 Exemption of non-cash vouchers for exempt benefits
- 267 Exemption of credit-tokens used for exempt benefits

Exemptions for particular non-cash vouchers and credit-tokens

- 268 Exemption of vouchers and tokens for incidental overnight expenses
- 269 Exemption where benefits or money obtained in connection with taxable car or van or exempt heavy goods vehicle
- 270 Exemption for small gifts of vouchers and tokens from third parties
- 270A Limited exemption for qualifying childcare vouchers

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 7

EXEMPTIONS: REMOVAL BENEFITS AND EXPENSES

Exemption of removal benefits and expenses: general

- 271 Limited exemption of removal benefits and expenses: general
- 272 Removal benefits and expenses to which section 271 applies
- 273 Conditions applicable to change of residence
- 274 Meaning of “the limitation day”
- 275 Meaning of “the employment change”
- 276 Meaning of “residence”, “former residence” and “new residence” etc.

Benefits and expenses within this Chapter

- 277 Acquisition benefits and expenses
- 278 Abortive acquisition benefits and expenses
- 279 Disposal benefits and expenses
- 280 Transporting belongings
- 281 Travelling and subsistence
- 282 Exclusion from section 281 of benefits and expenses where deduction allowed
- 283 Exclusion from section 281 of taxable car and van facilities
- 284 Bridging loan expenses
- 285 Replacement of domestic goods
- 286 Power to amend sections 277 to 285

Limit on exemption

- 287 Limit on exemption

Special exemption and relief for bridging loans

- 288 Limited exemption of certain bridging loans connected with employment moves
- 289 Relief for certain bridging loans not qualifying for exemption under section 288

CHAPTER 8

EXEMPTIONS: SPECIAL KINDS OF EMPLOYEES

Ministers of religion

- 290 Accommodation benefits of ministers of religion

MPs, government ministers etc.

- 291 Termination payments to MPs and others ceasing to hold office
- 292 Overnight expenses allowances of MPs
- 293 Overnight expenses of other elected representatives
- 294 European travel expenses of MPs and other representatives
- 295 Transport and subsistence for Government ministers etc.

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Armed forces

- 296 Armed forces' leave travel facilities
- 297 Armed forces' food, drink and mess allowances
- 298 Reserve and auxiliary forces' training allowances

Crown employees

- 299 Crown employees' foreign service allowances

Consuls, foreign agents etc.

- 300 Consuls
- 301 Official agents
- 302 Consular employees

Visiting forces and staff of designated allied headquarters

- 303 Visiting forces and staff of designated allied headquarters

Detached national experts

- 304 Experts seconded to European Commission

Offshore oil and gas workers

- 305 Offshore oil and gas workers: mainland transfers

Miners etc.

- 306 Miners etc: coal and allowances in lieu of coal

CHAPTER 9

EXEMPTIONS: PENSION PROVISION

- 307 Death or retirement benefit provision
- 308 Exemption of contributions to registered pension scheme
- 308A Exemption of contributions to overseas pension scheme

CHAPTER 10

EXEMPTIONS: TERMINATION OF EMPLOYMENT

Redundancy payments

- 309 Limited exemptions for statutory redundancy payments

Outplacement benefits

- 310 Counselling and other outplacement services
- 311 Retraining courses
- 312 Recovery of tax

CHAPTER 11

MISCELLANEOUS EXEMPTIONS

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Living accommodation

- 313 Repairs and alterations to living accommodation
- 314 Council tax etc. paid for certain living accommodation
- 315 Limited exemption for expenses connected with certain living accommodation

Work accommodation, supplies etc.

- 316 Accommodation, supplies and services used in employment duties
- 316A Homeworker's additional household expenses

Workplace meals

- 317 Subsidised meals

Childcare

- 318 Childcare: exemption for employer-provided care
- 318A Childcare: limited exemption for other care
- 318B Childcare: meaning of "care", "child" and "parental responsibility"
- 318C Childcare: meaning of "qualifying child care"
- 318D Childcare: power to vary exempt amount and qualifying conditions

Telephones and computer equipment

- 319 Mobile telephones
- 320 Limited exemption for computer equipment

Awards and gifts

- 321 Suggestion awards
- 322 Suggestion awards: "the permitted maximum"
- 323 Long service awards
- 324 Small gifts from third parties

Overseas medical treatment

- 325 Overseas medical treatment
- 325A Health and employment insurance payments

Expenses incidental to sale etc. of asset

- 326 Expenses incidental to transfer of a kind not normally met by transferor

PART 5

EMPLOYMENT INCOME: DEDUCTIONS ALLOWED FROM EARNINGS

CHAPTER 1

DEDUCTIONS ALLOWED FROM EARNINGS: GENERAL RULES

Introduction

- 327 Deductions from earnings: general

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

General rules

- 328 The income from which deductions may be made
- 329 Deductions from earnings not to exceed earnings
- 330 Prevention of double deductions
- 331 Order for making deductions
- 332 Meaning of “the deductibility provisions”

CHAPTER 2

DEDUCTIONS FOR EMPLOYEE’S EXPENSES

Introduction

- 333 Scope of this Chapter: expenses paid by the employee
- 334 Effect of reimbursement etc.
- 335 Application of deductions provisions: “earnings charged on receipt” and “earnings charged on remittance”

General rule for deduction of employee’s expenses

- 336 Deductions for expenses: the general rule

Travel expenses

- 337 Travel in performance of duties
- 338 Travel for necessary attendance
- 339 Meaning of “workplace” and “permanent workplace”
- 340 Travel between group employments
- 341 Travel at start or finish of overseas employment
- 342 Travel between employments where duties performed abroad

Fees and subscriptions

- 343 Deduction for professional membership fees
- 344 Deduction for annual subscriptions
- 345 Decisions of an officer of Revenue and Customs under section 344

Employee liabilities and indemnity insurance

- 346 Deduction for employee liabilities
- 347 Payments made after leaving the employment
- 348 Liabilities related to the employment
- 349 Meaning of “qualifying insurance contract”
- 350 Connected contracts

Expenses of ministers of religion

- 351 Expenses of ministers of religion

Agency fees paid by entertainers

- 352 Limited deduction for agency fees paid by entertainers

Special rules for earnings with a foreign element

- 353 Deductions from earnings charged on remittance

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 354 Disallowance of expenses relating to earnings taxed on different basis or untaxed
- 355 Deductions for corresponding payments by non-domiciled employees with foreign employers

Disallowance of business entertainment and gifts expenses

- 356 Disallowance of business entertainment and gifts expenses
- 357 Business entertainment and gifts: exception where employer's expenses disallowed
- 358 Business entertainment and gifts: other exceptions

Other rules preventing deductions of particular kinds

- 359 Disallowance of travel expenses: mileage allowances and reliefs
- 360 Disallowance of certain accommodation expenses of MPs and other representatives
- 360A Social security contributions

CHAPTER 3

DEDUCTIONS FROM BENEFITS CODE EARNINGS

Introduction

- 361 Scope of this Chapter: cost of benefits deductible as if paid by employee

Deductions where amounts treated as earnings under the benefits code

- 362 Deductions where non-cash voucher provided
- 363 Deductions where credit-token provided
- 364 Deductions where living accommodation provided
- 365 Deductions where employment-related benefit provided

CHAPTER 4

FIXED ALLOWANCES FOR EMPLOYEE'S EXPENSES

Introduction

- 366 Scope of this Chapter: amounts fixed by Treasury

Fixed sum deductions

- 367 Fixed sum deductions for repairing and maintaining work equipment
- 368 Fixed sum deductions from earnings payable out of public revenue

CHAPTER 5

DEDUCTIONS FOR EARNINGS REPRESENTING BENEFITS OR REIMBURSED EXPENSES

Introduction

- 369 Scope of this Chapter: earnings representing benefits or reimbursed expenses

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Travel costs and expenses where duties performed abroad

- 370 Travel costs and expenses where duties performed abroad: employee's travel
- 371 Travel costs and expenses where duties performed abroad: visiting spouse's , civil partner's or child's travel
- 372 Where seafarers' duties are performed

Travel costs and expenses of non-domiciled employees where duties performed in UK

- 373 Non-domiciled employee's travel costs and expenses where duties performed in UK
- 374 Non-domiciled employee's spouse's , civil partner's or child's travel costs and expenses where duties performed in UK
- 375 Meaning of "qualifying arrival date"

Foreign accommodation and subsistence costs and expenses

- 376 Foreign accommodation and subsistence costs and expenses (overseas employments)

Personal security assets and services

- 377 Costs and expenses in respect of personal security assets and services

CHAPTER 6

DEDUCTIONS FROM SEAFARERS' EARNINGS

- 378 Deduction from seafarers' earnings: eligibility
- 379 Calculating the deduction
- 380 Limit on deduction where UK duties etc. make amount unreasonable
- 381 Taking account of other deductions
- 382 Duties on board ship
- 383 Place of performance of incidental duties
- 384 Meaning of employment "as a seafarer"
- 385 Meaning of "ship"

PART 6

EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR SHARE-RELATED

CHAPTER 1

PAYMENTS TO NON-APPROVED PENSION SCHEMES

- 386 Charge on payments to non-approved retirement benefits schemes
- 387 Meaning of "non-approved retirement benefits scheme"
- 388 Apportionment of payments in respect of more than one employee
- 389 Exception: employments where earnings charged on remittance
- 390 Exception: non-domiciled employees with foreign employers
- 391 Exception: seafarers with overseas earnings
- 392 Relief where no benefits are paid or payable

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 2

BENEFITS FROM EMPLOYER-FINANCED RETIREMENT BENEFITS

Benefits treated as employment income

- 393 Application of this Chapter
- 393A Employer-financed retirement benefits scheme
- 393B Relevant benefits
 - 394 Charge on benefit to which this Chapter applies
 - 395 Reduction where employee has contributed
 - 396 Certain lump sums not taxed by virtue of section 394
 - 397 Certain lump sums: calculation of amount taxed by virtue of section 394

Valuation of benefits etc.

- 398 Valuation of benefits
- 399 Employment-related loans: interest treated as paid

Interpretation

- 399A Responsible person
- 400 Interpretation

CHAPTER 3

PAYMENTS AND BENEFITS ON TERMINATION OF EMPLOYMENT ETC.

Preliminary

- 401 Application of this Chapter
- 402 Meaning of “benefit”

Payments and benefits treated as employment income

- 403 Charge on payment or other benefit
- 404 How the £30,000 threshold applies

Exceptions and reductions

- 405 Exception for certain payments exempted when received as earnings
- 406 Exception for death or disability payments and benefits
- 407 Exception for payments and benefits under tax-exempt pension schemes
- 408 Exception for contributions to registered pension schemes
- 409 Exception for payments and benefits in respect of employee liabilities and indemnity insurance
- 410 Exception for payments and benefits in respect of employee liabilities and indemnity insurance: individual deceased
- 411 Exception for payments and benefits for forces
- 412 Exception for payments and benefits provided by foreign governments etc.
- 413 Exception in certain cases of foreign service
- 414 Reduction in other cases of foreign service

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

General and supplementary provisions

- 415 Valuation of benefits
- 416 Notional interest treated as paid if amount charged for beneficial loan

PART 7

EMPLOYMENT INCOME: INCOME AND EXEMPTIONS RELATING TO SECURITIES

CHAPTER 1

INTRODUCTION

General

- 417 Scope of Part 7
- 418 Other related provisions
- 419 Negative amounts treated as nil

Interpretation of Chapters 1 to 5

- 420 Meaning of “securities” etc
- 421 Meaning of “market value” etc
- 421A Meaning of “consideration”

Application of Chapters 2 to 4A

- 421B Application of Chapters 2 to 4A
- 421C Associated persons
- 421D Replacement and additional securities and changes in interests
- 421E Exclusions: residence etc
- 421F Exclusions: public offers
- 421G Exclusions: approved plan or scheme securities
- 421H Meaning of “employee-controlled” etc
- 421I Consideration for acquisition of employment-related securities

Information

- 421J Duty to provide information
- 421K Reportable events
- 421L Persons to whom section 421J applies

CHAPTER 2

RESTRICTED SECURITIES

Introduction

- 422 Application of this Chapter
- 423 “Restricted securities” and “restricted interest in securities”
- 424 Exceptions

Tax exemption on acquisition

- 425 No charge in respect of acquisition in certain cases

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Tax charge on post-acquisition chargeable events

- 426 Charge on occurrence of chargeable event
- 427 Chargeable events
- 428 Amount of charge
- 428A Relief for secondary Class 1 contributions met by employee
- 429 Case outside charge under section 426
- 430 Election for outstanding restrictions to be ignored
- 431 Election for full or partial disapplication of this Chapter
- 431A Shares under approved plan or scheme
- 431B Securities acquired for purpose of avoidance
- 432 Definitions

CHAPTER 3

CONVERTIBLE SECURITIES

Introduction

- 435 Application of this Chapter
- 436 “Convertible securities”

Tax relief on acquisition

- 437 Adjustment of charge

Tax charge on post-acquisition chargeable events

- 438 Charge on occurrence of chargeable event
- 439 Chargeable events
- 440 Amount of charge
- 441 Amount of gain realised on occurrence of chargeable event
- 442 Amount of consideration given for entitlement to convert
- 442A Relief for secondary Class 1 contributions met by employee
- 443 Case outside charge under section 438

Supplementary

- 444 Definitions

CHAPTER 3A

SECURITIES WITH ARTIFICIALLY DEPRESSED MARKET VALUE

Introduction

- 446A Application of this Chapter

Tax charge on acquisition

- 446B Charge on acquisition
- 446C Amount of charge
- 446D Restricted securities and convertible securities

Other tax charges

- 446E Charge on restricted securities

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 446F Adjustment of market value: conditional interests
- 446G Adjustment of market value: consideration for entitlement to convert
- 446H Adjustment of market value: charge on conversion
- 446I Adjustment of consideration or benefit received
- 446IA Disapplication of exceptions from charges

Supplementary

- 446J Definitions

CHAPTER 3B

SECURITIES WITH ARTIFICIALLY ENHANCED MARKET VALUE

Introduction

- 446K Application of this Chapter

Charge on non-commercial increases

- 446L Charge on non-commercial increases
- 446M Securities subject to restriction on valuation date
- 446N Securities subject to restriction during relevant period
- 446NA Disapplication of exceptions from charges

Supplementary

- 446O “Relevant period” and “valuation date”
- 446P Definitions

CHAPTER 3C

SECURITIES ACQUIRED FOR LESS THAN MARKET VALUE

- 446Q Application of this Chapter
- 446R Case outside this Chapter
- 446S Notional loan
- 446T Amount of notional loan
- 446U Discharge of notional loan
- 446UA Pre-acquisition avoidance cases
- 446V Chapter to be additional to other income tax charges
- 446W Definitions

CHAPTER 3D

SECURITIES DISPOSED OF FOR MORE THAN MARKET VALUE

- 446X Application of this Chapter
- 446Y Amount treated as income
- 446Z Definitions

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 4

POST-ACQUISITION BENEFITS FROM SECURITIES

- 447 Charge on other chargeable benefits from securities
- 448 Amount of charge
- 449 Case outside this Chapter
- 450 Definitions

Tax charge where restrictions or rights varied

- 451 Amount of charge
- 452 Cases outside charge under section 449

Tax charge on increase in value of shares of dependent subsidiaries

- 453 Charge on increase in value of shares of dependent subsidiary
- 454 Chargeable increases
- 455 Amount of charge
- 456 Cases outside charge under section 453

Tax charge on other benefits from shares

- 457 Charge on other chargeable benefits from shares
- 458 Chargeable benefits
- 459 Amount of charge
- 460 Cases outside charge under section 457

Supplementary provisions

- 461 Related acquisitions of additional shares
- 462 Company reorganisations etc.
- 463 Disposals of shares to connected persons etc. ignored
- 464 Application to interests in shares
- 465 Duty to notify acquisitions of shares or interests in shares
- 466 Duty to notify chargeable events and chargeable benefits

Interpretation

- 467 Meaning of “dependent subsidiary”
- 468 Meaning of “employee-controlled”
- 469 Shares “held by outside shareholders”
- 470 Minor definitions

CHAPTER 4A

SHARES IN RESEARCH INSTITUTION SPIN-OUT COMPANIES

Introduction

- 451 Application of this Chapter

Tax relief on acquisition

- 452 Market value on acquisition

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Tax relief following acquisition

453 Taxable amount under Chapter 4

Disapplication of Chapters 2 and 3B

454 Deemed election for disapplication of Chapter 2

455 Disapplication of Chapter 3B

Supplementary

456 Meaning of “intellectual property” and “transfer”

457 Meaning of “research institution”

458 Meaning of “involved in research”

459 Transfer of intellectual property by controlled company

460 Definitions

CHAPTER 5

SECURITIES OPTIONS

Introduction

471 Options to which this Chapter applies

472 Associated persons

473 Introduction to taxation of securities options

474 Cases where this Chapter does not apply

Tax relief on acquisition of option

475 No charge in respect of acquisition of option

Tax charge on post-acquisition chargeable events

476 Charge on occurrence of chargeable event

477 Chargeable events

478 Amount of charge

479 Amount of gain realised on occurrence of chargeable event

480 Deductible amounts

481 Relief for secondary Class 1 contributions met by employee

482 Relief for special contribution met by employee

Supplementary provisions

483 Application of this Chapter where option exchanged for another

484 Definitions

Supplementary provisions

485 Application of this Chapter where share option exchanged for another

486 Duty to notify matters relating to share options

487 Minor definitions

CHAPTER 6

APPROVED SHARE INCENTIVE PLANS

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Introduction

488 Approved share incentive plans (SIPs)

Scope of tax advantages

489 Operation of tax advantages in connection with approved SIP

Tax advantages connected with award of shares

490 No charge on award or acquisition of shares: general

491 No charge on award of shares as taxable benefit

492 No charge on partnership share money deducted from salary

493 No charge on acquisition of dividend shares

Tax advantages connected with holding of shares

494 No charge on removal of restrictions applying to shares

495 No charge on increase in value of shares of dependent subsidiary

496 No charge on cash dividend retained for reinvestment

Tax advantages connected with shares ceasing to be subject to plan

497 Limitations on charges on shares ceasing to be subject to plan

498 No charge on shares ceasing to be subject to plan in certain circumstances

Tax advantages: supplementary

499 No charge in respect of incidental expenditure

Scope of tax charges

500 Operation of tax charges in connection with approved SIP

Charges connected with holding of shares

501 Charge on capital receipts in respect of plan shares

502 Meaning of “capital receipt” in section 501

503 Charge on partnership share money paid over to employee

504 Charge on cancellation payments in respect of partnership share agreement

Charges connected with shares ceasing to be subject to plan

505 Charge on free or matching shares ceasing to be subject to plan

506 Charge on partnership shares ceasing to be subject to plan

507 Charge on disposal of beneficial interest during holding period

508 Identification of shares ceasing to be subject to plan

PAYE

509 Modification of section 696 where charge on shares ceasing to be subject to plan

510 Payments by trustees to employer company on shares ceasing to be subject to plan

511 PAYE deductions to be made by trustees on shares ceasing to be subject to plan

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 512 Disposal of beneficial interest by participant
- 513 Capital receipts: payments by trustees to employer company
- 514 Capital receipts: PAYE deductions to be made by trustees

Other tax consequences

- 515 Tax advantages and charges under other Acts

CHAPTER 7

APPROVED SAYE OPTION SCHEMES

Introduction

- 516 Approved SAYE option schemes
- 517 Share options to which this Chapter applies

Tax advantages

- 518 No charge in respect of receipt of option
- 519 No charge in respect of exercise of option
- 520 No charge in respect of post-acquisition benefits

CHAPTER 8

APPROVED CSOP SCHEMES

Introduction

- 521 Approved CSOP schemes
- 522 Share options to which this Chapter applies

Tax advantages

- 523 No charge in respect of receipt of option
- 524 No charge in respect of receipt of option
- 525 No charge in respect of post-acquisition benefits

Tax charge

- 526 Charge where option granted at a discount

CHAPTER 9

ENTERPRISE MANAGEMENT INCENTIVES

Introduction

- 527 Enterprise management incentives: qualifying options

Tax advantages: receipt of option

- 528 No charge on receipt of qualifying option

Tax advantages: exercise of option

- 529 Scope of tax advantages: option must be exercised within 10 years

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 530 No charge on exercise of option to acquire shares at market value
- 531 Limitation of charge on exercise of option to acquire shares below market value

Tax advantages where disqualifying events

- 532 Modified tax consequences following disqualifying events
- 533 Disqualifying events
- 534 Disqualifying events relating to relevant company
- 535 Disqualifying events relating to employee
- 536 Other disqualifying events
- 537 Alterations of share capital for purposes of section 536
- 538 Share conversions excluded for purposes of section 536
- 539 CSOP and other options relevant for purposes of section 536

Tax advantages: taxable benefits

- 540 No charge on acquisition of shares as taxable benefit

Other income tax consequences

- 541 Effects on other income tax charges

CHAPTER 10

PRIORITY SHARE ALLOCATIONS

Exemption where offer made to both public and employees

- 542 Exemption: offer made to public and employees
- 543 Discount not covered by exemption in section 542

Exemption where different offers made to public and employees

- 544 Exemption: different offers made to public and employees
- 545 Discount not covered by exemption in section 544

Supplementary provisions

- 546 Meaning of being entitled “on similar terms”
- 547 Meaning and amount or value of “registrant discount”
- 548 Minor definitions

CHAPTER 11

SUPPLEMENTARY PROVISIONS ABOUT EMPLOYEE BENEFIT TRUSTS

Introduction

- 549 Application of this Chapter

Employee benefit trusts

- 550 Meaning of “employee benefit trust”
- 551 “Qualifying disposals” for purposes of section 550

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Attribution of interests in company

- 552 Attribution of interest in company to beneficiary or associate
- 553 Meaning of “appropriate percentage” for purposes of section 552
- 554 Attribution of further interest in company

PART 8

FORMER EMPLOYEES: DEDUCTIONS FOR LIABILITIES

Deductions from total income

- 555 Former employee entitled to deduction from total income
- 556 Deductible payments made outside the time limits allowed
- 557 Deductible payments wholly or partly borne by the former employer etc.

Interpretation

- 558 Meaning of “deductible payment”
- 559 Liabilities related to the former employment
- 560 Meaning of “qualifying insurance contract”
- 561 Connected contracts
- 562 Meaning of “former employee” and “employment”
- 563 Other interpretation
- 564 Application of this Part to office-holders

PART 9

PENSION INCOME

CHAPTER 1

INTRODUCTION

- 565 Structure of Part 9

CHAPTER 2

TAX ON PENSION INCOME

- 566 Nature of charge to tax on pension income and relevant definitions
- 567 Amount charged to tax
- 568 Person liable for tax

CHAPTER 3

UNITED KINGDOM PENSIONS: GENERAL RULES

- 569 United Kingdom pensions
- 570 “Pension”: interpretation
- 571 Taxable pension income
- 572 Person liable for tax

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 4

FOREIGN PENSIONS: GENERAL RULES

- 573 Foreign pensions
- 574 “Pension”: interpretation
- 575 Taxable pension income
- 576 Person liable for tax

CHAPTER 5

UNITED KINGDOM SOCIAL SECURITY PENSIONS

- 577 United Kingdom social security pensions
- 578 Taxable pension income
- 579 Person liable for tax

CHAPTER 5A

PENSIONS UNDER REGISTERED PENSION SCHEMES

- 579A Pensions
- 579B Taxable pension income
- 579C Person liable for tax
- 579D Interpretation

CHAPTER 6

APPROVED RETIREMENT BENEFITS SCHEMES

Pensions and annuities

- 580 Pensions and annuities
- 581 Taxable pension income
- 582 Person liable for tax

Unauthorised payments

- 583 Unauthorised payments
- 584 Taxable pension income
- 585 Person liable for tax

Interpretation etc.

- 586 Meaning of “retirement benefits scheme” etc.
- 587 Application to marine pilots' benefit fund
- 588 Meaning of “employee”, “former civil partner and “ex-spouse”
- 589 Regulations

CHAPTER 7

FORMER APPROVED SUPERANNUATION FUNDS

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Annuities

- 590 Annuities
- 591 Taxable pension income
- 592 Person liable for tax

Unauthorised payments

- 593 Unauthorised payments: application of section 583

Interpretation

- 594 Meaning of “former approved superannuation fund”

CHAPTER 8

APPROVED PERSONAL PENSION SCHEMES

Annuities

- 595 Annuities
- 596 Taxable pension income
- 597 Person liable for tax

Income withdrawals

- 598 Income withdrawals
- 599 Taxable pension income
- 600 Person liable for tax

Unauthorised personal pension payments

- 601 Unauthorised personal pension payments
- 602 Taxable pension income
- 603 Person liable for tax

Interpretation

- 604 Meaning of “personal pension scheme” and related expressions

CHAPTER 9

RETIREMENT ANNUITY CONTRACTS

- 605 Annuities
- 606 Meaning of “retirement annuity contract”
- 607 Taxable pension income
- 608 Person liable for tax

CHAPTER 10

OTHER EMPLOYMENT-RELATED ANNUITIES

- 609 Annuities for the benefit of dependants
- 610 Annuities under non-registered occupational pension schemes
- 611 Annuities in recognition of another’s services

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 612 Taxable pension income: UK annuities
- 613 Taxable pension income: foreign annuities
- 614 Person liable for tax

CHAPTER 11

CERTAIN OVERSEAS GOVERNMENT PENSIONS PAID IN THE UK

- 615 Certain overseas government pensions paid in the United Kingdom
- 616 Taxable pension income
- 617 Deduction allowed from taxable pension income
- 618 Person liable for tax

CHAPTER 12

HOUSE OF COMMONS MEMBERS' FUND

- 619 The House of Commons Members' Fund
- 620 Meaning of "House of Commons Members' Fund"
- 621 Taxable pension income
- 622 Person liable for tax

CHAPTER 13

RETURN OF SURPLUS EMPLOYEE ADDITIONAL VOLUNTARY CONTRIBUTIONS

- 623 Return of surplus employee additional voluntary contributions
- 624 Taxable pension income
- 625 Person liable for tax
- 626 Income tax treated as paid
- 627 Meaning of "grossing up"
- 628 Interpretation

CHAPTER 14

PRE-1973 PENSIONS PAID UNDER THE OVERSEAS PENSIONS ACT 1973

- 629 Pre-1973 pensions paid under the Overseas Pensions Act 1973
- 630 Interpretation
- 631 Taxable pension income
- 632 Person liable for tax

CHAPTER 15

VOLUNTARY ANNUAL PAYMENTS

- 633 Voluntary annual payments
- 634 Taxable pension income: UK voluntary annual payments
- 635 Taxable pension income: foreign voluntary annual payments
- 636 Person liable for tax

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 15A

LUMP SUMS UNDER REGISTERED PENSION SCHEMES

- 636A Exemption for certain lump sums under registered pension schemes
- 636B Trivial commutation and winding-up lump sums
- 636C Trivial commutation and winding-up lump sum death benefits

CHAPTER 16

EXEMPTION FOR CERTAIN LUMP SUMS

- 637 Exemption for lump sums provided under certain pension schemes etc.

CHAPTER 17

EXEMPTIONS: ANY TAXPAYER

- 638 Awards for bravery
- 639 Pensions in respect of death due to military or war service
- 640 Exemption under section 639 where income withheld
- 640A Lump sums provided under armed forces early departure scheme
- 641 Wounds and disability pensions
- 642 Compensation for National-Socialist persecution
- 643 Malawi, Trinidad and Tobago and Zambia government pensions
- 644 Pensions payable where employment ceased due to disablement
- 644A Health and employment insurance payments
- 645 Social security pensions: increases in respect of children
- 646 Former miners etc: coal and allowances in lieu of coal
- 646A Foreign pensions of consular employees

CHAPTER 18

EXEMPTIONS: NON-UK RESIDENT TAXPAYERS

- 647 Introduction and meaning of “foreign residence condition” etc.
- 648 The Central African Pension Fund
- 649 Commonwealth government pensions
- 650 Oversea Superannuation Scheme
- 651 Overseas Pensions Act 1973
- 652 Overseas Service Act 1958
- 653 Overseas Service Pensions Fund
- 654 The Pensions (India, Pakistan and Burma) Act 1955

PART 10

SOCIAL SECURITY INCOME

CHAPTER 1

INTRODUCTION

- 655 Structure of Part 10

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 2

TAX ON SOCIAL SECURITY INCOME

- 656 Nature of charge to tax on social security income
- 657 Meaning of “social security income”, “taxable benefits” etc.
- 658 Amount charged to tax
- 659 Person liable for tax

CHAPTER 3

TAXABLE UK SOCIAL SECURITY BENEFITS

- 660 Taxable benefits: UK benefits – Table A
- 661 Taxable social security income
- 662 Person liable for tax

CHAPTER 4

TAXABLE UK SOCIAL SECURITY BENEFITS: EXEMPTIONS

Incapacity benefit

- 663 Long-term incapacity benefit: previous entitlement to invalidity benefit
- 664 Short-term incapacity benefit not payable at the higher rate

Income support

- 665 Exempt unless payable to member of couple involved in trade dispute
- 666 Child maintenance bonus
- 667 Amounts in excess of taxable maximum
- 668 Taxable maximum
- 669 Interpretation

Jobseeker’s allowance

- 670 Child maintenance bonus
- 671 Amounts in excess of taxable maximum
- 672 Taxable maximum: general
- 673 Taxable maximum: income-based jobseeker’s allowance
- 674 Taxable maximum: contribution-based jobseeker’s allowance
- 675 Interpretation

Increases in respect of children

- 676 Increases in respect of children

CHAPTER 5

UK SOCIAL SECURITY BENEFITS WHOLLY EXEMPT FROM INCOME TAX

- 677 UK social security benefits wholly exempt from tax: Table B

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

CHAPTER 6

TAXABLE FOREIGN BENEFITS

- 678 Taxable benefits: foreign benefits
- 679 Taxable social security income
- 680 Person liable for tax

CHAPTER 7

TAXABLE AND OTHER FOREIGN BENEFITS: EXEMPTIONS

- 681 Taxable and other foreign benefits: exemptions
- 681A Foreign benefits of consular employees

PART 11

PAY AS YOU EARN

CHAPTER 1

INTRODUCTION

- 682 Scope of this Part
- 683 PAYE income

CHAPTER 2

PAYE: GENERAL

- 684 PAYE regulations
- 685 Tax tables
- 686 Meaning of “payment”

CHAPTER 3

PAYE: SPECIAL TYPES OF PAYER OR PAYEE

- 687 Payments by intermediary
- 688 Agency workers
- 689 Employee of non-UK employer
- 690 Employee non-resident etc.
- 691 Mobile UK workforce
- 692 Organised arrangements for sharing tips

CHAPTER 4

PAYE: SPECIAL TYPES OF INCOME

Income provided by means of vouchers and tokens

- 693 Cash vouchers
- 694 Non-cash vouchers
- 695 Credit-tokens

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Income provided in other ways

- 696 Readily convertible assets
- 697 Enhancing the value of an asset
- 698 PAYE: special charges on employment-related securities
- 699 PAYE: conversion of shares
- 700 PAYE: gains from securities options

Supplemental

- 701 Meaning of “asset”
- 702 Meaning of “readily convertible asset”

CHAPTER 5

PAYE SETTLEMENT AGREEMENTS

- 703 Introduction
- 704 Sums payable by employers under agreements
- 705 Approximations allowed in calculations
- 706 Exclusion of general earnings from income etc.
- 707 Interpretation of this Chapter

CHAPTER 6

MISCELLANEOUS AND SUPPLEMENTAL

- 708 PAYE repayments
- 709 Additional provision for certain assessments
- 710 Notional payments: accounting for tax
- 711 Right to make a return
- 712 Interpretation of this Part

PART 12

PAYROLL GIVING

- 713 Donations to charity: payroll deduction scheme
- 714 Meaning of “donations”
- 715 Approval of schemes: regulation by Treasury

PART 13

SUPPLEMENTARY PROVISIONS

Alteration of amounts

- 716 Alteration of amounts by Treasury order

Priority rule for certain dividends etc

- 716A Priority rule for dividends etc. of UK resident companies etc.

Orders and regulations

- 717 Orders and regulations made by Treasury or Commissioners

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Interpretation

- 718 Connected persons
- 719 Control in relation to a body corporate
- 720 Meaning of “an officer of Revenue and Customs” etc.
- 721 Other definitions

Amendments, repeals, citation etc.

- 722 Consequential amendments
- 723 Commencement and transitional provisions and savings
- 724 Repeals and revocations
- 725 Citation

SCHEDULES

- SCHEDULE 1 — Abbreviations and defined expressions
 - Part 1 — ABBREVIATIONS OF ACTS AND INSTRUMENTS
 - Part 2 — INDEX OF EXPRESSIONS DEFINED IN THIS ACT OR ICTA

- SCHEDULE 2 — Approved share incentive plans
 - Part 1 — INTRODUCTION

Approval of share incentive plans (SIPs)

- 1 (1) This Schedule makes provision for— (a) the approval of...

SIPs: free shares and partnership shares

- 2 (1) In the SIP code a “share incentive plan” (or...

Matching shares

- 3 (1) A SIP that provides for partnership shares may also...

Group plans

- 4 (1) A SIP established by a company that controls other...

Meaning of “award of shares”, “participant” etc.

- 5 (1) For the purposes of the SIP code an “award...
Part 2 — GENERAL REQUIREMENTS

General requirements for approval: introduction

- 6 A SIP must meet the plan requirements contained in— paragraph...

The purpose of the plan

- 7 (1) The purpose of the plan must be to provide...

All-employee nature of plan

- 8 (1) The plan must provide that every employee who—

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Participation on same terms

- 9 (1) The requirement of this paragraph is that—

No preferential treatment for directors and senior employees

- 10 (1) The first requirement of this paragraph is that no...

No further conditions

- 11 No conditions apart from those required or authorised by this...

No loan arrangements

- 12 (1) The arrangements for the plan must not make any...

Part 3 — ELIGIBILITY OF INDIVIDUALS

Eligibility of individuals: introduction

- 13 A SIP must meet the plan requirements contained in— paragraph...

Time of eligibility to participate

- 14 (1) The plan must provide that an individual may only...

The employment requirement

- 15 (1) The plan must provide that an individual is not...

Qualifying periods

- 16 (1) This paragraph applies if the plan provides for a...

Meaning of “qualifying company”

- 17 (1) For the purposes of paragraph 15(2) “qualifying company” has...

Requirement not to participate in other SIPs

- 18 (1) The plan must provide that an individual is not...

Participation in more than one connected SIP in a tax year

- 18A (1) The plan must provide that, if an individual participates...

The “no material interest” requirement

- 19 (1) The plan must provide that an individual is not...

Meaning of “material interest”

- 20 (1) In paragraph 19 (the “no material interest” requirement) references...

Material interest: options and interests in SIPs

- 21 (1) This paragraph applies for the purposes of paragraph 20...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Meaning of “associate”

- 22 (1) In paragraph 19(2) (the “no material interest” requirement) “associate”,...

Meaning of “associate”: trustees of employee benefit trust

- 23 (1) This paragraph applies for the purposes of paragraph 22(1)(c)...

Meaning of “associate”: trustees of discretionary trust

- 24 (1) This paragraph applies for the purposes of paragraph 22(1)(c)...

Part 4 — TYPES OF SHARES THAT MAY BE AWARDED

Types of share that may be awarded: introduction

- 25 (1) The requirements of the following paragraphs must be met...

Shares must be part of ordinary share capital of certain companies

- 26 Eligible shares must form part of the ordinary share capital...

Requirement as to listing etc.

- 27 (1) Eligible shares must be— (a) shares of a class...

Shares must be fully paid up and not redeemable

- 28 (1) Eligible shares must be— (a) fully paid up, and...

Prohibited shares

- 29 (1) Eligible shares must not be shares in—

Only certain kinds of restriction allowed

- 30 (1) Eligible shares must not be subject to any restrictions...

Permitted restrictions: voting rights

- 31 Eligible shares may be shares carrying no voting rights or...

Permitted restrictions: provision for forfeiture

- 32 (1) Free or matching shares may be subject to provision...

Permitted restrictions: pre-emption conditions

- 33 (1) If the requirements of this paragraph are met, eligible...

Part 5 — FREE SHARES

Free shares: introduction

- 34 (1) If a SIP provides for free shares, it must...

Maximum annual award

- 35 (1) The plan must provide that the initial market value...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

The holding period

36 (1) The plan must require the company in respect of...

Holding period: power of participant to direct trustees to accept general offers etc.

37 (1) A participant may direct the trustees to do any...

Performance allowances: general application

38 A plan that provides for performance allowances in relation to...

Performance allowances: targets and measures

39 (1) A plan that provides for performance allowances must comply...

Performance allowances: information to be given to employees

40 (1) A plan that provides for performance allowances in relation...

Performance allowances: method one

41 (1) The requirements of this paragraph are those contained in...

Performance allowances: method two

42 (1) The requirements of this paragraph are those contained in...

Part 6 — PARTNERSHIP SHARES

Partnership shares: introduction

43 (1) If a SIP provides for partnership shares, the following...

Partnership share agreements

44 (1) The plan must provide for qualifying employees to enter...

Deductions from salary

45 (1) The plan must provide for a partnership share agreement...

Maximum amount of deductions

46 (1) The amount of partnership share money deducted from an...

Minimum amount of deductions

47 (1) The plan may provide that the amount to be...

Notice of possible effect of deductions on benefit entitlement

48 (1) The plan must provide that the company may not...

Partnership share money held for employee

49 (1) The plan must provide that partnership share money deducted...

Application of money deducted where no accumulation periods

50 (1) If the plan does not provide for an accumulation...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Accumulation periods

51 (1) The plan may provide for accumulation periods not exceeding...

Application of money deducted in accumulation period

52 (1) This paragraph applies if the plan provides for one...

Restriction on number of shares awarded

53 (1) The plan may authorise the company to specify the...

Stopping and re-starting deductions

54 (1) The plan must provide that an employee may at...

Withdrawal from partnership share agreement

55 (1) The plan must provide that an employee may at...

Repayment of partnership share money on withdrawal of approval or termination

56 (1) The plan must provide that, where the approval of...

Access to partnership shares

57 (1) The plan must provide that when partnership shares have...

Part 7 — MATCHING SHARES

Matching shares: introduction

58 If a SIP provides for matching shares it must meet...

General requirements for matching shares

59 (1) The plan must provide for the matching shares to...

Ratio of matching shares to partnership shares

60 (1) The partnership share agreement must specify—

Holding period for matching shares

61 Paragraphs 36 and 37 (the holding period and related matters)...

Part 8 — CASH DIVIDENDS AND DIVIDEND SHARES

Reinvestment of cash dividends

62 (1) A SIP may provide that, where the company so...

Requirements to be met as regards cash dividends

63 (1) If a SIP makes the provision authorised by paragraph...

Limit on amount reinvested

64 (1) The plan must provide that the total dividend reinvestment...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

General requirements as to dividend shares

65 The plan must provide that dividend shares are to be...

Acquisition of dividend shares

66 (1) The plan must provide that the trustees must treat...

Holding period for dividend shares

67 Paragraphs 36 and 37 (the holding period and related matters)...

Reinvestment: amounts to be carried forward

68 (1) This paragraph applies where an amount is not reinvested—...

Cash dividends where no requirement to reinvest

69 (1) The plan must require any distributable cash dividends in...
Part 9 — TRUSTEES

Requirements etc. relating to trustees: introduction

70 (1) A SIP must meet the plan requirements contained in—...

Establishment of trustees

71 (1) The plan must provide for the establishment of a...

Duty to monitor participants in connected schemes

71A The trust instrument must require the trustees to maintain records...

Duty to act in accordance with participant's directions

72 (1) The trust instrument must require the trustees—

Duty not to dispose of plan shares

73 (1) This paragraph applies to a participant's plan shares that...

Duty to make payments to participants

74 (1) The trust instrument must require the trustees to pay...

Duty to give notice of award of shares etc.

75 (1) The trust instrument must make the following provision regarding...

Power of trustees to borrow

76 The trust instrument may provide that the trustees have power...

Power of trustees to raise funds to subscribe for rights issue

77 (1) The trustees may dispose of some of the rights...

Acquisition by trustees of shares from employee share ownership trust

78 (1) The trust instrument must provide that, where there is...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Meeting by trustees of PAYE obligations

- 79 (1) The plan must make provision to ensure that, where...

Other duties of trustees in relation to tax liabilities

- 80 (1) The trust instrument must require the trustees to maintain...
Part 10 — APPROVAL OF PLANS

Application for approval

- 81 (1) Where— (a) a SIP has been established, and

Appeal against refusal of approval

- 82 (1) If an officer of Revenue and Customs refuses to...

Withdrawal of approval

- 83 (1) This paragraph applies if a disqualifying event (see paragraph...

Disqualifying events for purposes of paragraph 83

- 84 (1) The following are disqualifying events for the purposes of...

Appeal against withdrawal of approval

- 85 (1) This paragraph applies if a SIP has been approved...
Part 11 — SUPPLEMENTARY PROVISIONS

Company reconstructions

- 86 (1) In this Part of this Schedule a “company reconstruction”...

Consequences of company reconstructions

- 87 (1) In the SIP code references to a participant’s plan...

Treatment of shares acquired under rights issue

- 88 (1) This paragraph applies for the purposes of the SIP...

Termination of plan

- 89 (1) The plan may provide for the company to issue...

Effect of plan termination notice

- 90 (1) This paragraph applies if the company has issued a...

Jointly owned companies

- 91 (1) This paragraph applies for the purposes of the provisions...

Determination of market value

- 92 (1) For the purposes of the SIP code the “market...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Power to require information

93 (1) An officer of Revenue and Customs may by notice...

Meaning of “associated company”

94 (1) For the purposes of the SIP code one company...

Meaning of participant ceasing to be in relevant employment

95 (1) This paragraph explains what is meant, for the purposes...

Meaning of shares being withdrawn from plan

96 (1) For the purposes of the SIP code plan shares...

Meaning of shares ceasing to be subject to plan

97 (1) For the purposes of the SIP code plan shares...

Meaning of “the specified retirement age”

98 (1) In the SIP code, in relation to a SIP,...

Minor definitions

99 (1) In the SIP code— “articles of association”, in relation...

Index of defined expressions

100 In the SIP code the following expressions are defined or...

SCHEDULE 3 — Approved SAYE option schemes

Part 1 — INTRODUCTION

Approval of SAYE option schemes

1 (1) This Schedule makes provision for the approval of SAYE...

SAYE option schemes

2 (1) In the SAYE code an “SAYE option scheme” means...

Group schemes

3 (1) An SAYE option scheme established by a company that...

Part 2 — GENERAL REQUIREMENTS FOR APPROVAL

General requirements for approval: introduction

4 An SAYE option scheme must meet the requirements of— paragraph...

General restriction on contents of scheme

5 The scheme must not contain features which are neither essential...

All-employee nature of scheme

6 (1) The scheme must provide that every person who meets...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Participation on similar terms

7 (1) The requirements of this paragraph are—

No preferential treatment for directors and senior employees

8 (1) The requirement of this paragraph is that, if the...

Part 3 — ELIGIBILITY OF INDIVIDUALS TO PARTICIPATE IN SCHEME

Requirements relating to the eligibility of individuals: introduction

9 An SAYE option scheme must meet the requirements of— paragraph...

The employment requirement

10 (1) The scheme must ensure that an individual is not...

The “no material interest” requirement

11 (1) The scheme must ensure that an individual is not...

Meaning of “material interest”

12 (1) In paragraph 11 (the “no material interest” requirement) references...

Material interest: options and interests in SIPs

13 (1) For the purposes of paragraph 12 (meaning of “material...

Meaning of “associate”

14 (1) In paragraph 11(2) (the “no material interest” requirement)
“associate”,...

Meaning of “associate”: trustees of employee benefit trust

15 (1) This paragraph applies for the purposes of paragraph 14(1)(c)...

Meaning of “associate”: trustees of discretionary trust

16 (1) This paragraph applies for the purposes of paragraph 14(1)(c)...

Part 4 — SHARES TO WHICH SCHEMES CAN APPLY

Requirements relating to shares that may be subject to share options: introduction

17 (1) An SAYE option scheme must meet the requirements of—...

Shares must be ordinary shares of certain companies

18 Eligible shares must form part of the ordinary share capital...

Requirements as to listing

19 (1) Eligible shares must be— (a) shares of a class...

Shares must be fully paid up and not redeemable

20 Eligible shares must be— (a) fully paid up, and

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Only certain kinds of restriction allowed

- 21 (1) Eligible shares must not be subject to any restrictions...

Requirements as to other shareholdings

- 22 (1) The majority of the issued shares of the same...
Part 5 — REQUIREMENT FOR LINKED SAVINGS ARRANGEMENT

Requirements as to linked savings arrangement : introduction

- 23 An SAYE option scheme must meet the requirements of— paragraph...

Payments for shares to be linked to approved savings arrangements

- 24 (1) The scheme must provide for shares acquired by the...

Requirements as to contributions to savings arrangements

- 25 (1) The scheme must provide for a person’s contributions under...

Repayments under a savings arrangement : whether bonuses included

- 26 (1) For the purposes of this Schedule repayments under a...
Part 6 — REQUIREMENTS ETC. RELATING TO SHARE OPTIONS

Requirements etc. relating to share options: introduction

- 27 (1) An SAYE option scheme must meet the requirements of—...

Requirements as to price for acquisition of shares

- 28 (1) The price at which shares may be acquired by...

Share options must not be transferable

- 29 (1) The scheme must ensure that share options granted to...

Time for exercising options: general

- 30 (1) The scheme must ensure that share options granted under...

Requirement to have a “specified age”

- 31 (1) The scheme must specify the age that is to...

Exercise of options: death

- 32 The scheme must provide that, if a participant dies before...

Exercise of options: reaching specified age without retiring

- 33 (1) The scheme must provide that, if a participant (“P”)...

Exercise of options: scheme-related employment ends

- 34 (1) The scheme must provide that, if a participant (“P”)...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Time when scheme-related employment ends

35 (1) This paragraph applies for the purposes of paragraph 34...

Exercise of options: employment in associated company at bonus date

36 The scheme may provide that if at the bonus date...

Exercise of options: company events

37 (1) The scheme may provide that share options relating to...
Part 7 — EXCHANGE OF SHARE OPTIONS

Exchange of options on company reorganisation

38 (1) An SAYE option scheme may provide that if—

Requirements about share options granted in exchange

39 (1) This paragraph applies to a scheme that makes provision...
Part 8 — APPROVAL OF SCHEMES

Application for approval

40 (1) Where— (a) an SAYE option scheme has been established,...

Appeal against refusal of approval

41 (1) If an officer of Revenue and Customs refuses to...

Withdrawal of approval

42 (1) If any disqualifying event occurs in connection with an...

Notice of decision about alteration

43 Where an officer of Revenue and Customs —

Appeal against withdrawal of approval etc.

44 (1) This paragraph applies if an SAYE option scheme has...
Part 9 — SUPPLEMENTARY PROVISIONS

Power to require information

45 (1) An officer of Revenue and Customs may by notice...

Jointly owned companies

46 (1) This paragraph applies for the purposes of the provisions...

Meaning of “associated company”

47 (1) For the purposes of the SAYE code, except in...

Minor definitions

48 (1) In the SAYE code— “ certified SAYE savings arrangement...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Index of defined expressions

49 In the SAYE code the following expressions are defined or...

SCHEDULE 4 — Approved CSOP schemes
Part 1 — INTRODUCTION

Approval of CSOP schemes

1 (1) This Schedule makes provision for the approval of CSOP...

CSOP schemes

2 (1) In the CSOP code a “CSOP scheme” means (in...

Group schemes

3 (1) A CSOP scheme established by a company that controls...
Part 2 — GENERAL REQUIREMENTS FOR APPROVAL

General requirements for approval: introduction

4 A CSOP scheme must meet the requirements of— paragraph 5...

General restriction on contents of scheme

5 The scheme must not contain features which are neither essential...

Limit on value of shares subject to options

6 (1) The scheme must provide that an individual may not...
Part 3 — ELIGIBILITY OF INDIVIDUALS TO PARTICIPATE IN SCHEME

Requirements relating to the eligibility of individuals: introduction

7 A CSOP scheme must meet the requirements of— paragraph 8...

The employment requirement

8 (1) The scheme must ensure that an individual is not...

The “no material interest” requirement

9 (1) The scheme must ensure that an individual is not...

Meaning of “material interest”

10 (1) In paragraph 9 (the “no material interest” requirement) references...

Material interest: options and interests in SIPs

11 (1) For the purposes of paragraph 10 (meaning of “material...

Meaning of “associate”

12 (1) In paragraph 9(2) (the “no material interest” requirement) “associate”,...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Meaning of “associate”: trustees of employee benefit trust

13 (1) This paragraph applies for the purposes of paragraph 12(1)(c)...

Meaning of “associate”: trustees of discretionary trust

14 (1) This paragraph applies for the purposes of paragraph 12(1)(c)...

Part 4 — SHARES TO WHICH SCHEMES CAN APPLY

Requirements relating to shares that may be subject to share options: introduction

15 (1) A CSOP scheme must meet the requirements of— paragraph...

Shares must be ordinary shares of certain companies

16 Eligible shares must form part of the ordinary share capital...

Requirements as to listing

17 (1) Eligible shares must be — (a) shares of a...

Shares must be fully paid up and not redeemable

18 Eligible shares must be— (a) fully paid up, and

Only certain kinds of restriction allowed

19 (1) Eligible shares must not be subject to any restrictions...

Requirements as to other shareholdings

20 (1) The majority of the issued shares of the same...

Part 5 — REQUIREMENTS ETC. RELATING TO SHARE OPTIONS

Requirements etc. relating to share options: introduction

21 (1) A CSOP scheme must meet the requirements of— paragraph...

Requirements as to price for acquisition of shares

22 (1) The price at which shares may be acquired by...

Share options must not be transferable

23 (1) The scheme must ensure that share options granted to...

Exercise of options: ceasing to be director or employee

24 (1) The scheme may provide that an individual may exercise...

Exercise of options: death

25 The scheme may provide that, if a participant dies before...

Part 6 — EXCHANGE OF SHARE OPTIONS

Exchange of options on company reorganisation

26 (1) A CSOP scheme may provide that if—

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Requirements about share options granted in exchange

- 27 (1) This paragraph applies to a scheme that makes provision...
Part 7 — APPROVAL OF SCHEMES

Application for approval

- 28 (1) Where— (a) a CSOP scheme has been established, and...

Appeal against refusal of approval

- 29 (1) If an officer of Revenue and Customs refuses to...

Withdrawal of approval

- 30 (1) If any disqualifying event occurs in connection with an...

Notice of decision about alteration

- 31 Where an officer of Revenue and Customs —

Appeal against withdrawal of approval etc.

- 32 (1) This paragraph applies if a CSOP scheme has been...
Part 8 — SUPPLEMENTARY PROVISIONS

Power to require information

- 33 (1) An officer of Revenue and Customs may by notice...

Jointly owned companies

- 34 (1) This paragraph applies for the purposes of the provisions...

Meaning of “associated company”

- 35 (1) For the purposes of the CSOP code one company...

Retirement age

- 35A A retirement age specified in a CSOP scheme—

Minor definitions

- 36 (1) In the CSOP code— “company” means a body corporate;...

Index of defined expressions

- 37 In the CSOP code the following expressions are defined or...

SCHEDULE 5 — Enterprise management incentives
Part 1 — INTRODUCTION

Enterprise management incentives: qualifying options

- 1 (1) This Schedule makes provision for establishing what is a...

Meaning of “the relevant company” and “the employer company”

- 2 In the EMI code, in relation to a share option—...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Part 2 — GENERAL REQUIREMENTS

General requirements: introduction

- 3 A share option is not a qualifying option unless the...

Purpose of granting the option

- 4 To be a qualifying option a share option must be...

Maximum entitlement of employee: financial limit on unexercised options

- 5 (1) An employee may not hold unexercised qualifying options which
—...

Maximum entitlement of employee: further limit of 3 years

- 6 (1) Sub-paragraph (2) applies if an employee (“E”) has already...

Maximum value of options in respect of relevant company’s shares

- 7 (1) The total value of shares in the relevant company...

Part 3 — QUALIFYING COMPANIES

Qualifying companies: introduction

- 8 A “qualifying company” is a company in relation to which...

The independence requirement

- 9 (1) The independence requirement consists of two conditions.

The qualifying subsidiaries requirement

- 10 (1) A company that has one or more subsidiaries is...

Meaning of “qualifying subsidiary”

- 11 (1) A company (“the subsidiary”) is a qualifying subsidiary of...

The property managing subsidiaries requirement

- 11A (1) A company is not a qualifying company if it...

Meaning of “qualifying 90% subsidiary”

- 11B (1) A company (“the subsidiary”) is a qualifying 90% subsidiary...

The gross assets requirement

- 12 (1) The gross assets requirement in the case of a...

The trading activities requirement: single company

- 13 (1) The trading activities requirement in the case of a...

The trading activities requirement: parent company

- 14 (1) The trading activities requirement in the case of a...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Meaning of “qualifying trade”

15 (1) A trade is a qualifying trade if—

Excluded activities

16 The following are excluded activities— (a) dealing in land, in...

Excluded activities: wholesale and retail distribution

17 (1) This paragraph supplements paragraph 16(b). (2) A trade of...

Excluded activities: leasing of certain ships

18 (1) This paragraph supplements paragraph 16(d) so far as it...

Excluded activities: receipt of royalties or licence fees

19 (1) This paragraph supplements paragraph 16(e) (receipt of royalties or...

Excluded activities: property development

20 (1) This paragraph supplements paragraph 16(g). (2) “Property development” means...

Excluded activities: hotels and comparable establishments

21 (1) This paragraph supplements paragraph 16(j). (2) A “comparable establishment”...

Excluded activities: nursing homes and residential care homes

22 (1) This paragraph supplements paragraph 16(k). (2) “Nursing home” means...

Excluded activities: provision of facilities for another business

23 (1) This paragraph applies where a company (“the service provider”)...
Part 4 — ELIGIBLE EMPLOYEES

Eligible employees: introduction

24 An individual is an “eligible employee” in relation to the...

The employment requirement

25 To be an eligible employee in relation to the relevant...

The requirement as to commitment of working time

26 (1) For an individual (“the employee”) to be an eligible...

Meaning of “working time”

27 (1) In paragraph 26 “working time” means—

The “no material interest” requirement

28 (1) An individual is not an eligible employee in relation...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Meaning of “material interest”

29 (1) In paragraph 28 (the “no material interest” requirement) references...

Material interest: options and interests in SIPs

30 (1) This paragraph applies for the purposes of paragraph 29...

Meaning of “associate”

31 (1) In paragraph 28(2) (the “no material interest” requirement) “associate”,...

Meaning of “associate”: trustees of employee benefit trust

32 (1) This paragraph applies for the purposes of paragraph 31(1)(c)...

Meaning of “associate”: trustees of discretionary trust

33 (1) This paragraph applies for the purposes of paragraph 31(1)(c)...

Part 5 — REQUIREMENTS RELATING TO OPTIONS

Requirements relating to options: introduction

34 A share option is not a qualifying option unless the...

Type of shares that may be acquired

35 (1) The option must confer a right to acquire shares...

Option to be capable of exercise within 10 years

36 (1) The option must be capable of being exercised within...

Terms of option to be agreed in writing

37 (1) The option must take the form of a written...

Non-assignability of rights

38 The terms on which the option is granted—
Part 6 — COMPANY REORGANISATIONS

Company reorganisations: introduction

39 (1) This Part applies in connection with company reorganisations.

Meaning of “qualifying exchange of shares”

40 (1) For the purposes of the EMI code there is...

Grant of replacement option

41 (1) This paragraph applies if both of the following conditions...

Period within which replacement option must be granted

42 (1) To qualify as a replacement option the new option...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Further requirements to be met as to replacement option

- 43 (1) For the new option to qualify as a replacement...
Part 7 — NOTIFICATION OF OPTION TO INLAND REVENUE

Notice of option to be given to Inland Revenue

- 44 (1) For a share option to be a qualifying option,...

Correction of notice by Inland Revenue

- 45 (1) An officer of Revenue and Customs may amend a...

Notice of enquiry

- 46 (1) This paragraph applies where notice of a share option...

Completion of enquiry: closure notices

- 47 (1) An enquiry under paragraph 46(2) is completed when an...

Completion of enquiry: application for closure notice to be given

- 48 (1) An application may be made under this paragraph for...

Effect of enquiry

- 49 (1) If an officer of Revenue and Customs does not...

Appeals

- 50 (1) The employer company may appeal against a decision of...
Part 8 — SUPPLEMENTARY PROVISIONS

Power to require information

- 51 (1) An officer of Revenue and Customs may by notice...

Annual returns

- 52 (1) A company whose shares are subject to a qualifying...

Compliance with time limits

- 53 (1) For the purposes of this Part and Part 7...

Power to amend by Treasury order

- 54 (1) The Treasury may by order amend the EMI code—...

Meaning of “market value” of shares

- 55 (1) For the purposes of the EMI code the “market...

Determination of market value of shares

- 56 (1) This paragraph applies to the determination of the market...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Appeal against determination of market value of shares

57 (1) The employer company may appeal against any determination by...

Minor definitions

58 In the EMI code— “arrangements” includes any scheme, agreement or...

Index of defined expressions

59 In the EMI code the following expressions are defined or...

SCHEDULE 6 — Consequential Amendments

Part 1 — INCOME AND CORPORATION TAXES ACT 1988

- 1 The Income and Corporation Taxes Act 1988 (c. 1) is...
- 2 (1) Amend section 1 (the charge to income tax) as...
- 3 In section 4(1) (construction of references in Income Tax Acts...
- 4 In section 9(3) (computation of income for corporation tax:
application...
- 5 (1) Amend section 18 (Schedule D) as follows.
- 6 Omit section 19 (Schedule E).
- 7 In section 21A(2) (computation of amount chargeable)—
- 8 Omit section 58 (foreign pensions).
- 9 In section 65(2) (Cases IV and V assessments: general) omit...
- 10 After section 68 insert— Share incentive plans: application of section...
- 11 (1) Amend section 84A (costs of establishing share option or...
- 12 After section 85A insert— Approved share incentive plans
Schedule 4AA (which provides for deductions relating to approved
share...
- 13 (1) Amend section 86A (charitable donations: contributions to agent’s
expenses)...
- 14 Omit sections 131 to 134 (miscellaneous provisions relating to the...
- 15 Omit sections 135 to 137 (provisions relating to gains by...
- 16 (1) Amend section 138 (share acquisitions by directors and
employees)...
- 17 Omit section 140 (further interpretation of sections 135 to 139)...
- 18 Omit sections 140A to 140H (further provisions relating to share...
- 19 Omit sections 141 to 144 (vouchers and credit-tokens).
- 20 Omit section 144A (payments received free of tax).
- 21 Omit sections 145 to 147 (living accommodation).
- 22 Omit sections 148 to 151A (payments on retirement, sick pay...
- 23 For the sidenote to section 152 (notification of amount taxable...
- 24 Omit sections 153 to 159AC and sections 160 to 168G...
- 25 Omit section 185 (approved share option schemes).
- 26 (1) Amend section 186 (approved profit sharing schemes) as follows....
- 27 In section 187 (interpretation of sections 185 and 186 and...
- 28 Omit the following provisions (which give relief from income tax...
- 29 Omit sections 202A and 202B (assessment on receipts basis).
- 30 Omit sections 203 to 204 (pay as you earn).
- 31 Omit sections 205 and 206 (assessments).
- 32 Omit section 206A (PAYE settlement agreements).
- 33 Omit section 207 (disputes as to domicile or ordinary residence)...
- 34 After section 251 insert— Approved share incentive plans Application
of...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 35 In section 257C(2A) (indexation of amounts in sections 257 and...
- 36 After section 266 insert— Life assurance premiums paid by employer...
- 37 In section 306(7) (claims) for “regulations made under section 203”...
- 38 In section 307(6)(a)(i) (withdrawal of relief) for “regulations under section...
- 39 Omit section 313 (taxation of consideration for certain restrictive undertakings)....
- 40 In section 314(1) (divers and diving supervisors) for the words...
- 41 Omit sections 315 to 318 (pensions etc. paid in respect...
- 42 Omit section 319 (crown servants: foreign service allowance).
- 43 Omit section 321 (consuls and other official agents).
- 44 (1) Amend section 322 (consular officers and employees) as follows....
- 45 (1) Amend section 323 (visiting forces) as follows.
- 46 Omit section 330 (compensation for National-Socialist persecution).
- 47 (1) Amend section 332 (expenditure and houses of ministers of...
- 48 (1) Amend section 336 (temporary residents in the United Kingdom)...
- 49 In section 347A(5) (annual payments: general rule) for “, 68(1)(b)...
- 50 (1) Amend section 348 (payments out of profits or gains...
- 51 (1) Amend section 349 (payments not out of profits or...
- 52 In section 376(2) (qualifying borrowers and qualifying lenders) for the...
- 53 In section 391(2) (losses from trade etc. carried on abroad)...
- 54 (1) Amend section 392 (Case VI losses) as follows.
- 55 (1) Amend section 418 (“distribution” to include certain expenses of...
- 56 In section 545(1)(a) (capital redemption policies) after “Schedule D” insert...
- 57 In section 550(7) (relief where gain charged at a higher...
- 58 In section 559(1A) (sub-contractors in the construction industry) for “chargeable...
- 59 In section 561(6) (exceptions from section 559), for “the same...
- 60 In section 565(2C)(a) (conditions to be satisfied by companies), for...
- 61 In section 566(1) (general powers to make regulations under Chapter...
- 62 (1) Section 577 (business entertaining expenses) is amended as follows....
- 63 Omit section 579(1) (statutory redundancy payments).
- 64 Omit section 580(3) (provisions supplementary to section 579(1)).
- 65 In section 580A(7)(b) (relief from tax on annual payments under...
- 66 (1) Amend section 585 (relief from tax on delayed remittances)...
- 67 (1) Amend section 588 (training courses for employees) as follows....
- 68 Omit section 589 (qualifying courses of training etc.).
- 69 (1) Section 589A (counselling services for employees) is amended as...
- 70 (1) Section 589B (qualifying counselling services etc.) is amended as...
- 71 In section 591D (provisions supplementary to section 591C) omit subsection...
- 72 For section 592(7) (exempt approved schemes) substitute—
- 73 In section 594(1) (exempt statutory schemes)— (a) for the words...
- 74 Omit sections 595 and 596 (payments by employer to retirement...
- 75 Omit sections 596A to 596C (benefits under non-approved retirement benefits...
- 76 Omit section 597 (charge to tax: pensions).
- 77 In section 599A (charge to tax: payments out of surplus...
- 78 Omit section 600 (charge to tax: unauthorised payments to or...
- 79 (1) Amend section 606 (default of administrator of retirement benefits...
- 80 (1) Amend section 607 (marine pilots: pilots' benefit fund) as...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 81 In section 608 (charge to tax on annuities paid out...
- 82 In section 612(1) (interpretation etc. of Chapter) in the definition...
- 83 In section 613 (Parliamentary pension funds) omit subsections (1) to...
- 84 In section 614(3) (exemptions and reliefs in respect of income...
- 85 In section 615 (exemption from tax in respect of certain...
- 86 Omit section 616 (other overseas pensions).
- 87 (1) Amend section 617 (social security benefits and contributions) as...
- 88 Omit section 617A (tax credits under Part 1 of Tax...
- 89 In section 624(2) (sponsored superannuation schemes and controlling directors) for...
- 90 (1) Amend section 638 (other restrictions on approval of a...
- 91 (1) Section 643 (employer's contributions and personal pension income etc.)...
- 92 (1) Amend section 644 (meaning of "relevant earnings") as follows....
- 93 (1) Amend section 645 (earnings from pensionable employment) as follows....
- 94 In section 646(2) (meaning of "net relevant earnings") for paragraph...
- 95 (1) Amend section 646A (earnings from associated employments) as follows....
- 96 Omit sections 647 to 648A (personal pensions: unauthorised payments, contributions...
- 97 In section 657(2)(f)(i) (purchased life annuities to which section 656...
- 98 In section 658A(1) (charges and assessments on administrators) after "this...
- 99 (1) Amend section 659B (definition of insurance company) as follows....
- 100 After section 686A insert— Share incentive plans: distributions in respect...
- 101 In section 779(13)(e) (sale and lease-back: limitation on tax reliefs),...
- 102 In section 781(4)(d) (assets leased to traders and others), for...
- 103 In section 794(2)(b) (requirements as to residence) for "income tax...
- 104 In section 824(4A) (repayment supplement: individuals and others) for "section...
- 105 (1) Amend section 828 (orders and regulations made by the...
- 106 In section 830 (territorial sea and designated areas) omit subsection...
- 107 In section 831(3) (interpretation of ICTA) before the entry relating...
- 108 (1) Amend section 833 (interpretation of Income Tax Acts) as...
- 109 After Schedule 4 insert— SCHEDULE 4AA Share incentive plans: corporation...
- 110 Omit Schedules 6 and 6A (taxation of directors and others:...
- 111 Omit Schedules 7 and 7A (taxation of benefit of loans)....
- 112 (1) Amend Schedule 9 (approved share option schemes and profit...
- 113 (1) Amend Schedule 10 (further provisions relating to profit sharing...
- 114 Omit Schedule 11 (payments and other benefits in connection with...
- 115 Omit Schedule 11A (removal benefits and expenses).
- 116 Omit Schedule 12 (foreign earnings).
- 117 Omit Schedule 12AA (mileage allowances).
- 118 Omit Schedule 12A (ordinary commuting and private travel).
- 119 In Schedule 14 (modification of section 266 in certain cases),...
- 120 (1) Amend paragraph 2 of Schedule 15A (contractual savings schemes)...
- 121 (1) Amend paragraph 5B of Schedule 18 (group relief: equity...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Finance Act 1969 (c. 32)

122 (1) Section 58 of the Finance Act 1969 (disclosure of...

Taxes Management Act 1970 (c. 9)

123 The Taxes Management Act 1970 is amended as follows.
 124 In section 7(4) and (5) (notice of liability to income...
 125 (1) Amend section 9 (returns to include self-assessment) as follows....
 126 (1) Amend section 15 (return of employee's emoluments etc.) as...
 127 For section 16A substitute— Agency workers (1) This section applies
 where— (a) any services which an...
 128 In section 42(3) (procedure for making claims etc.) for “section...
 129 In section 46B(5) (questions as to the application of provisions...
 130 In section 59A (payments on account of income tax)—
 131 (1) Amend section 59B (payment of income tax and capital...
 132 In section 62(1A)(a) (priority of claim for tax)—
 133 In section 63(3)(a) (recovery of tax in Scotland) for “section...
 134 In section 64(1A)(a) (priority of claim for tax in Scotland)—...
 135 (1) Amend section 70 (evidence) as follows.
 136 In section 91(3)(c) (effect on interest of reliefs) for “section...
 137 (1) Amend the Table in section 98 (special returns, etc.)...
 138 In section 98A(1) (special penalties in the case of certain...
 139 In section 118 (interpretation) after the entry relating to “inspector”...
 140 In section 119(4) (construction of the Act) after “1992 Act”...
 141 In paragraph 4(1A) of Schedule 1A (claims etc. not included...
 142 In paragraph 3 of Schedule 3 (rules for assigning proceedings...
 143 In Schedule 3A (electronic lodgement of tax returns etc.) in...

Finance Act 1973 (c. 51)

144 Schedule 15 to the Finance Act 1973 (territorial extension of...
 145 In paragraph 2(b) for “emoluments” substitute “earnings or amounts...
 146 In paragraph 5 for “Schedule E” substitute “the Income...

Finance Act 1974 (c. 30)

147 In section 24 of the Finance Act 1974 (returns of...

Interpretation Act 1978 (c. 30)

148 In Schedule 1 to the Interpretation Act 1978 (words and...

Education (Scotland) Act 1980 (c. 44)

149 In section 73B of the Education (Scotland) Act 1980 (grants...

Inheritance Tax Act 1984 (c. 51)

150 The Inheritance Tax Act 1984 is amended as follows.
 151 (1) Amend the following provisions as provided in sub-paragraph (2)
 —...
 152 In section 14(1) (waiver of remuneration), for “would be assessable...

Bankruptcy (Scotland) Act 1985 (c. 66)

153 In paragraph 1(1) of Schedule 3 to the Bankruptcy (Scotland)...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Insolvency Act 1986 (c. 45)

154 In paragraph 1 of Schedule 6 to the Insolvency Act...

Finance Act 1988 (c. 39)

155 (1) Section 73 of the Finance Act 1988 (consideration for...

Finance Act 1989 (c. 26)

156 The Finance Act 1989 is amended as follows.

157 For section 43 substitute— Schedule D: computation (1) In calculating profits or gains of a trade to...

158 For section 44 substitute— Investment and insurance companies: computation (1) In calculating the profits of an investment company for...

159 In section 53(2)(f) (amendments consequential on the substitution of a...

160 (1) Amend section 69 (chargeable events in relation to employee...

161 (1) Amend section 76 (non-approved retirement benefits schemes) as follows....

162 In section 178(2) (setting of rates of interest)—

163 (1) Amend Schedule 5 (employee share ownership trusts) as follows....

Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19))

164 In paragraph 1 of Schedule 4 to the Insolvency (Northern...

Finance Act 1990 (c. 29)

165 The Finance Act 1990 is amended as follows.

166 (1) Amend section 25(2) (donations to charity by individuals) as...

167 (1) Amend paragraph 4 of Schedule 14 (amendments of sections...

Finance Act 1991 (c. 31)

168 (1) Amend section 38 of the Finance Act 1991 (employee...

Social Security Contributions and Benefits Act 1992 (c. 4)

169 The Social Security Contributions and Benefits Act 1992 is amended...

170 In section 1 (outline of contributory system), in subsection (2)(bb)...

171 In section 2 (categories of earners), in subsection (1)(a) for...

172 (1) Amend section 4 (payments treated as remuneration and earnings)...

173 In section 7(1)(b) (meaning of “secondary contributor”) for “emoluments” in...

174 (1) Amend section 10 (Class 1A National Insurance contributions: benefits...

175 (1) Amend section 10ZA (liability of third party provider of...

176 (1) Amend section 10ZB (non-cash vouchers provided by third parties)...

177 (1) Amend section 10A (Class 1B National Insurance contributions) as...

178 (1) Amend section 122(1) (interpretation of Parts 1 to 6...

179 In section 126(5)(a)(ii) (trade disputes) for “emoluments in pursuance of...

180 (1) Amend section 150(2) (interpretation of Part 10) as follows....

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 181 In section 163(1) (interpretation of Part 11), in paragraph (a)...
- 182 In section 171(1) (interpretation of Part 12), in paragraph (a)...
- 183 In section 171ZJ(2)(a) (Part 12ZA: supplementary) for “emoluments chargeable to...
- 184 In section 171ZS(2)(a) (Part 12ZB: supplementary) for “emoluments chargeable to...
- 185 In Schedule 1 (supplementary provisions relating to contributions of Classes...

Social Security Administration Act 1992 (c. 5)

- 186 The Social Security Administration Act 1992 is amended as follows....
- 187 (1) Amend section 139(11) (definitions used in provisions relating to...
- 188 (1) Amend section 159B(6) (effect of alterations affecting state pension...
- 189 (1) Amend section 162(5) (destination of national insurance contributions) as...

Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7)

- 190 The Social Security Contributions and Benefits (Northern Ireland) Act 1992...
- 191 In section 1 (outline of contributory system), in subsection (2)(bb)...
- 192 In section 2 (categories of earners), in subsection (1)(a) for...
- 193 (1) Amend section 4 (payments treated as remuneration and earnings)...
- 194 In section 7(1)(b) (meaning of “secondary contributor”) for “emoluments” in...
- 195 (1) Amend section 10 (Class 1A National Insurance contributions: benefits...
- 196 (1) Amend section 10ZA (liability of third party provider of...
- 197 (1) Amend section 10ZB (non-cash vouchers provided by third parties)...
- 198 (1) Amend section 10A (Class 1B National Insurance contributions) as...
- 199 (1) Amend section 121(1) (interpretation of Parts 1 to 6...
- 200 In section 125(5)(a)(ii) (trade disputes) for “emoluments in pursuance of...
- 201 (1) Amend section 146(2) (interpretation of Part 10) as follows....
- 202 In section 159(1) (interpretation of Part 11), in paragraph (a)...
- 203 In section 167(1) (interpretation of Part 12), in paragraph (a)...
- 204 In Schedule 1 (supplementary provisions relating to contributions of Classes...

Social Security Administration (Northern Ireland) Act 1992 (c. 8)

- 205 (1) Section 139B(6) of the Social Security Administration (Northern Ireland)...
- 206 In section 142(5) of that Act (destination of national insurance...

Taxation of Chargeable Gains Act 1992 (c. 12)

- 207 The Taxation of Chargeable Gains Act 1992 is amended as...
- 208 In section 9(2) (residence, including temporary residence)—
- 209 In section 11(1) (visiting forces, agents-general etc.)—
- 210 (1) Amend section 120 (increased expenditure by reference to tax...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 211 (1) Amend section 149B (employee incentive schemes: conditional interests in...
- 212 After section 149B insert— Priority share allocations Section 17(1) shall not apply to an acquisition of shares...
- 213 In section 222(8D)(b) (relief on disposal of private residence), for...
- 214 In section 236A (employee share ownership plans), and in the...
- 215 In section 238(2)(a) (approved profit sharing and share option schemes),...
- 216 After section 238 insert— Approved share schemes and share incentives...
- 217 After section 263 insert— Former employees: employment-related liabilities (1) This section applies if— (a) a deduction of the...
- 218 In section 271 (other miscellaneous exemptions), for subsection (1)(c) substitute—...
- 219 (1) Amend section 288(1) (interpretation) as follows.
- 220 (1) Amend Schedule 7C (relief for transfers to approved share...
- 221 After Schedule 7C insert— SCHEDULE 7D Approved share schemes and...

Pension Schemes Act 1993 (c. 48)

- 222 In section 181(1) of the Pension Schemes Act 1993 (general...

Pension Schemes (Northern Ireland) Act 1993 (c. 49)

- 223 In section 176(1) of the Pension Schemes (Northern Ireland) Act...

Finance Act 1994 (c. 9)

- 224 (1) In the Finance Act 1994, paragraph 27 of Schedule...

Finance Act 1995 (c. 4)

- 225 The Finance Act 1995 is amended as follows.
- 226 (1) Amend section 128 (limit on income chargeable on non-residents:...
- 227 In section 137(7) (part-time workers: miscellaneous provisions) for “Subsections (2)...

Jobseekers Act 1995 (c. 18)

- 228 The Jobseekers Act 1995 is amended as follows.
- 229 In section 15(2)(c)(i) (effect on other claimants) for “emoluments in...
- 230 In section 26(3) (the back to work bonus) for the...

Child Support Act 1995 (c. 34)

- 231 For section 10(4) of the Child Support Act 1995 (child...

Child Support (Northern Ireland) Order 1995 (S.I. 1995/2702 (N.I. 13))

- 232 For Article 4(4) of the Child Support (Northern Ireland) Order...

Jobseekers (Northern Ireland) Order 1995 (S.I. 1995/2705 (N.I. 15))

- 233 The Jobseekers (Northern Ireland) Order 1995 is amended as follows....
- 234 In Article 17(2)(c)(i) (effect on other claimants) for “emoluments in...
- 235 In Article 28(3) (the back to work bonus) for the...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Teaching and Higher Education Act 1998 (c. 30)

236 In section 22 of the Teaching and Higher Education Act...

Scotland Act 1998 (c. 46)

237 In section 79(3) of the Scotland Act 1998 (supplemental powers...

Education (Student Support) (Northern Ireland) Order 1998 (S.I. 1998/1760 (N.I. 14))

238 In Article 3 of the Education (Student Support) (Northern Ireland)...

Tax Credits Act 1999 (c. 10)

239 The Tax Credits Act 1999 is amended as follows.

240 In section 6(1) (payment of tax credit by employers etc.)...

241 In paragraph 10(1) of Schedule 2 (transfer of functions), in...

Finance Act 2000 (c. 17)

242 The Finance Act 2000 is amended as follows.

243 (1) Amend section 38 (payroll deduction scheme) as follows.

244 (1) Amend Schedule 12 (provision of services through an intermediary)...

245 (1) In Schedule 20 (tax relief for expenditure of research...

Capital Allowances Act 2001 (c. 2)

246 The Capital Allowances Act 2001 is amended as follows.

247 (1) Amend section 4 (capital expenditure) as follows.

248 (1) Amend section 20 (employments and offices) as follows.

249 In section 61(2) (disposal events and disposal values), in entry...

250 In section 63(1) (cases in which disposal value is nil)...

251 In section 72(3) (disposal values), in entry 2(b) of the...

252 In section 88(c) (sales at under-value) for “Schedule E” substitute...

253 In section 262 (employments and offices)— (a) in paragraph (a)...

254 In section 423(1) (disposal value for sections 421 and 422),...

255 At the end of Part 1 of Schedule 1 (abbreviations)...

256 In Part 2 of Schedule 1 (defined expressions used in...

Finance Act 2001 (c. 9)

257 For section 95 of the Finance Act 2001 (exemptions in...

258 (1) In Schedule 22 (remediation of contaminated land), amend paragraph...

Social Security Contributions (Share Options) Act 2001 (c. 20)

259 The Social Security Contributions (Share Options) Act 2001 is amended...

260 In section 2(3)(b) (effect of notice under section 1) for...

261 (1) Amend section 3 (special provision for roll-overs) as follows....

262 In section 5(2)(c) (interpretation)— (a) for “subsection (8) of section...

State Pension Credit Act 2002 (c. 16)

263 (1) Section 17(1) of the State Pension Credit Act 2002...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Tax Credits Act 2002 (c. 21)

- 264 The Tax Credits Act 2002 is amended as follows.
265 (1) Amend section 25 (payments of working tax credit by...
266 In section 29(5) (recovery of overpayments) for “regulations under section...

State Pension Credit Act (Northern Ireland) 2002 (c. 14 (N.I.))

- 267 (1) Section 17(1) of the State Pension Credit Act (Northern...

Certain corresponding Northern Ireland provision

- 268 (1) This paragraph applies if provision is made for Northern...
269 (1) This paragraph applies if provision is made for Northern...

SCHEDULE 7 — Transitionals and savings

Part 1 — CONTINUITY OF THE LAW

- 1 The repeal of provisions and their enactment in a rewritten...
2 Paragraph 1 does not apply to any change in the...
3 Any subordinate legislation or other thing which—
4 Any reference (express or implied) in any enactment, instrument or...
5 Any reference (express or implied) in any enactment, instrument or...
6 Paragraphs 1 to 5 have effect instead of section 17(2)...
7 Paragraphs 4 and 5 apply only in so far as...

Part 2 — EMPLOYMENT INCOME: CHARGE TO TAX

Taxable earnings

- 8 (1) The charging provisions of Chapters 4 and 5 of...

Relief for delayed remittances

- 9 (1) This paragraph applies where one or more of the...
10 Section 36(2) (the definition of “blocked earnings”) applies in relation...
11 (1) This paragraph applies where a claimant—

Disputes as to domicile or ordinary residence

- 12 (1) Nothing in sections 42 and 43 (disputes as to...

Application of provisions to agency workers

- 13 In relation to times before 6th April 2003, Chapter 7...
14 Section 44(2) does not apply in relation to—

Part 3 — EMPLOYMENT INCOME: EARNINGS AND BENEFITS ETC. TREATED AS EARNING

Taxable benefits: dispensations relating to benefits within provisions not applicable to lower-paid employments

- 15 (1) An existing notification— (a) is not affected by any...
16 (1) This paragraph applies if— (a) mileage allowance payments are...

Taxable benefits: the benefits code

- 17 (1) In relation to times before 6th April 2003, references...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Taxable benefits: vouchers and credit-tokens

- 18 (1) For the purpose of applying sections 82 to 89...
 19 (1) This paragraph applies to a notification which, immediately before...
 20 (1) This paragraph applies if— (a) mileage allowance payments are...

Taxable benefits: living accommodation

- 21 (1) Section 107 (special rule for calculating cost of providing...

Taxable benefits: cars, vans and related benefits

- 22 (1) In relation to a capital sum contributed by the...
 23 (1) In relation to a capital sum contributed by the...
 24 (1) This paragraph applies to the operation of section 156(4)...

Taxable benefits: loans

- 25 (1) Chapter 7 of Part 3 applies to a loan...
 26 (1) This paragraph relates to the operation of section 183...
 27 (1) Subject to paragraph 25(2), where a loan is made...

Taxable benefits: notional loans in respect of acquisitions of shares

- 28 Chapter 8 of Part 3 does not apply in relation...
 29 (1) This paragraph relates to the operation of Chapter 8...

Taxable benefits: disposals of shares for more than market value

- 30
 31

Taxable benefits: residual liability to charge

- 32 (1) This paragraph applies in relation to Chapter 10 of...
 Part 4 — EMPLOYMENT INCOME: EXEMPTIONS

Incidental overnight expenses and benefits

- 33 In determining whether section 240(1) or (2) or 268 applies—...
 34 In determining— (a) whether section 141(6C) and (6D), 142(3C) and...

Removal benefits and expenses

- 35 (1) Section 287 (limit on exemption for removal benefits and...
 36 A direction under paragraph 6(2) of Schedule 11A to ICTA...

Retraining courses

- 37 (1) The repeal of sections 588(5)(a) and 589(3) and (4)...

Suggestion awards

- 38 (1) This paragraph applies for the purpose of determining the...
 Part 5 — EMPLOYMENT INCOME: DEDUCTIONS

Earnings charged on remittance

- 39 In relation to expenses incurred before the tax year 2003-04,...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Non-domiciled employee's travel costs and expenses: "qualifying arrival date"

- 40 In relation to any time before 6th April 2003, section...
Part 6 — EMPLOYMENT INCOME: INCOME WHICH IS NOT EARNINGS OR
RELATED TO SECURITIES

Benefits from non-approved pension schemes

- 41 (1) Chapter 2 of Part 6 (benefits from non-approved pension...

Payments and benefits on termination of employment etc.

- 42 Section 403 (charge on payment or other benefit) does not...
43 (1) This paragraph applies for the purpose of determining how...
Part 7 — EMPLOYMENT INCOME: INCOME RELATED TO SECURITIES

Pre-6th April 2003 acquisitions

- 43A (1) This paragraph relates to the operation of section 421E...

Conditional interests in shares

- 44 Chapter 2 of Part 7 , as originally enacted, does...
45 (1) This paragraph relates to the operation of section 425...
46 (1) This paragraph relates to the operation of section 428...
47
48

Convertible shares

- 49 Chapter 3 of Part 7 does not apply in relation...
50
51
52
53

Post-acquisition benefits from shares

- 54 Chapter 4 of Part 7 , both as originally enacted...
55 (1) Chapter 4 of Part 7 , as originally enacted,...
56 The removal or variation of a restriction applying to shares...
57 Despite the repeals made by this Act—
58 (1) This paragraph relates to the operation of section 448...
59
60
61

Securities disposed of for more than market value

- 61A Chapter 3D of Part 7 does not apply in relation...

Share options

- 62
63 (1) This paragraph relates to the operation of section 474...
64 (1) This paragraph relates to the operation of section 478...
65 (1) This paragraph relates to the operation of section 478...

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

66
67

Approved share incentive plans

68 (1) This paragraph applies where, immediately before 6th April 2003,...
69 (1) Any reference in any enactment, instrument or document—
70 Nothing in paragraph 91(4) of Schedule 2 to this Act...

Approved SAYE option schemes

71 (1) This paragraph applies where, immediately before 6th April 2003,...
72 (1) Any reference in the SAYE code to a share...

Approved CSOP schemes

73 (1) This paragraph applies where, immediately before 6th April 2003,...
74 (1) Any reference in the CSOP code to a share...
75 (1) This paragraph has effect where, immediately before 6th April...
76 (1) This paragraph applies to any right obtained by an...

Enterprise management incentives

77 (1) This paragraph applies where, immediately before 6th April 2003,...
78 (1) In section 535 (disqualifying events relating to employee),
subsections...
79 (1) Section 536 (other disqualifying events) has effect in relation...
80 (1) Section 537 (alteration of share capital for purposes of...
81 In a case where the qualifying option was granted before...
82 (1) This paragraph relates to the operation of section 541(2)...
83 In Schedule 5 (enterprise management incentives), paragraph 41(6) (like
other...

Employee benefit trusts

84 In relation to times before 6th April 2003, section 549(5)...
Part 8 — APPROVED PROFIT SHARING SCHEMES

Trustees' duty to provide information

85 Any obligation imposed in accordance with paragraph 34(b) of
Schedule...

Share incentive plans

86 (1) Where the trustees of an approved share incentive plan...

Other share schemes: eligibility of individuals and material interests

87 (1) In applying any of the provisions specified in sub-paragraph...
Part 9 — SOCIAL SECURITY INCOME

Disabled person's and working families' tax credits

88 (1) This paragraph applies if, on 6th April 2003, the...
Part 10 — PAYE

Status: Point in time view as at 06/04/2006.

Changes to legislation: Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

PAYE regulations

- 89 (1) In relation to any time before the commencement of...
Part 11 — CONSEQUENCES FOR CORPORATION TAX
- 90 (1) This paragraph applies where— (a) a company is charged...
- 91 (1) This paragraph applies in relation to corporation tax charged...
- 92 (1) The provisions of this Act mentioned in sub-paragraph (2)...

SCHEDULE 8 — Repeals and revocations
Part 1 — ACTS OF PARLIAMENT
Part 2 — SUBORDINATE LEGISLATION

Status:

Point in time view as at 06/04/2006.

Changes to legislation:

Income Tax (Earnings and Pensions) Act 2003 is up to date with all changes known to be in force on or before 11 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.